

# **Village of Lansing, Illinois**

Financial Report  
April 30, 2011

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## Independent Auditor's Report

To the Honorable Mayor  
and Board of Trustees  
Village of Lansing, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lansing, Illinois, as of and for the year ended April 30, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Lansing, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lansing, Illinois, as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 - 8), pension and postemployment related information (pages 53 - 59) and budgetary comparison information (pages 60 - 63) is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Lansing, Illinois. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
October 25, 2011

## Management's Discussion and Analysis

The management of the Village of Lansing (the "Village") is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2011. Please read it in conjunction with the Financial Statements in this report.

### Financial Highlights

The assets of the Village exceeded its liabilities at the close of Fiscal Year 2011 by \$57,852,315 and Fiscal Year 2010 by \$59,265,197. The total long-term debt of the Village (for both governmental and business-type activities) had a net overall increase of \$353,867 during the Fiscal Year 2011. The increase is attributable to several general bond obligation issuances. At the end of the current fiscal year, the General Fund had a surplus fund balance of \$2,695,217, whereas at the end of Fiscal Year 2010, the General Fund had a surplus balance of \$2,933,944.

### Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements provide a broad overview of the Village's finances in a manner similar to a private-sector business. The government's current financial resources are combined and consolidated with capital assets and long-term obligations using the accrual basis of accounting.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. In the future, the increase or decrease in net assets may be a useful indicator of whether the Village's financial position is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as they occur, regardless of the timing of cash flow. Therefore, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods. The costs of various governmental services and any subsidy to business activities are presented.

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general services, public works, and public safety. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water and sewer operations and municipal airport operations.

The government-wide financial statements include not only the financial activities of the Village but also that of its component unit, the Public Library.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Village funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund statements is narrower than that of the government-wide financial statements, it may be useful to compare similar information to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains 13 individual governmental funds. This year, information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for three major funds: General Fund, TIF Ridge Road and TIF The Landings. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The Village adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided where appropriate to demonstrate compliance with this budget.

One type of proprietary fund is an enterprise fund. The Village maintains two enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Those two functions are a municipal airport operation and sewer and water operations. The Waterworks and Sewerage Fund and the Municipal Airport Fund are considered to be major funds of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Infrastructure assets.** The Village depreciates assets over their estimated useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees, as well as budget to actual comparisons.

The combining statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information.

## Government-wide Financial Analysis

The following tables are the condensed Village of Lansing's Statement of Net Assets as of April 30, 2011 and 2010, respectively.

April 30, 2011	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$29,615,616	\$1,829,982	\$31,445,598
Interfund balances	5,081,111	(5,081,111)	-
Capital assets (net)	32,798,151	29,441,953	62,240,104
<b>Total assets</b>	<b>67,494,878</b>	<b>26,190,824</b>	<b>93,685,702</b>
Current liabilities	10,029,896	897,890	10,927,786
Non-current liabilities	23,172,281	1,733,320	24,905,601
<b>Total liabilities</b>	<b>33,202,177</b>	<b>2,631,210</b>	<b>35,833,387</b>
Net assets:			
Invested in capital assets, net of debt	14,529,488	27,615,875	42,145,363
Restricted	20,690,125	-	20,690,125
Unrestricted	(926,912)	(4,056,261)	(4,983,173)
<b>Total net assets</b>	<b>\$34,292,701</b>	<b>\$23,559,614</b>	<b>\$57,852,315</b>

April 30, 2010	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$27,262,913	\$1,205,382	\$28,468,295
Interfund balances	5,357,479	(5,357,479)	-
Capital assets, net	33,668,683	28,802,463	62,471,146
<b>Total assets</b>	<b>66,289,075</b>	<b>24,650,366</b>	<b>90,939,441</b>
Current liabilities	6,970,727	794,369	7,765,096
Non-current liabilities	21,929,347	1,979,801	23,909,148
<b>Total liabilities</b>	<b>28,900,074</b>	<b>2,774,170</b>	<b>31,674,244</b>
Net assets:			
Invested in capital assets, net of debt	15,828,421	26,815,623	42,644,044
Restricted	21,715,742	-	21,715,742
Unrestricted	(155,162)	(4,939,427)	(5,094,589)
<b>Total net assets</b>	<b>\$37,389,001</b>	<b>\$21,876,196</b>	<b>\$59,265,197</b>

\$42.1 million of the Village's net assets are invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since these capital assets cannot be liquidated to repay liabilities. The Village has a deficit for unrestricted net assets in its governmental activities and a deficit for unrestricted net assets in its business-type activities.

The following tables are the condensed Village of Lansing's Statements of Activities for the Fiscal Years Ended April 30, 2011 and 2010, respectively.

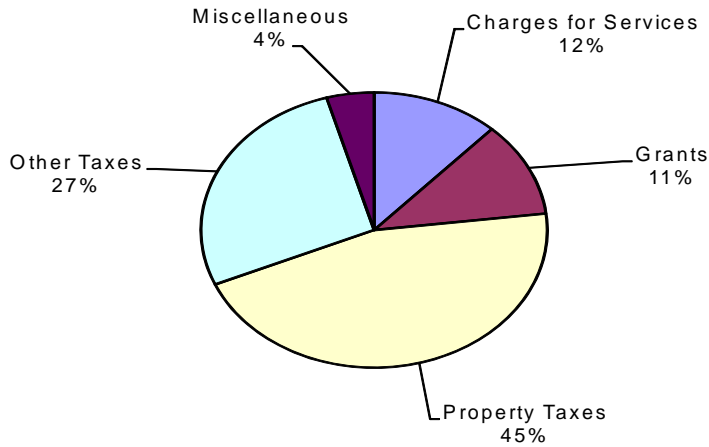


<b>April 30, 2011</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Revenues:			
Program revenues:			
Charges for services	\$3,347,679	\$4,997,665	\$8,345,344
Operating grants and contributions	3,477,901	2,172,099	5,650,000
General revenues:			
Property taxes	10,696,637	-	10,696,637
Other taxes	9,338,116	-	9,338,116
Miscellaneous	1,871,290	1,195	1,872,485
Transfers in (out)	(104,577)	104,577	-
Total revenues	28,627,046	7,275,536	35,902,582
Expenses:			
General government	16,438,512	-	16,438,512
Public safety	14,383,846	-	14,383,844
Interest expense	900,988	-	900,988
Public works	-	4,468,245	4,468,245
Airport	-	1,123,873	1,123,873
Total expenses	31,723,346	5,592,118	37,315,464
Change in net assets	(3,096,300)	1,683,418	(1,412,882)
Net assets May 1, 2010	37,389,001	21,876,196	59,265,197
Net assets April 30, 2011	\$34,292,701	\$23,559,614	\$57,852,315

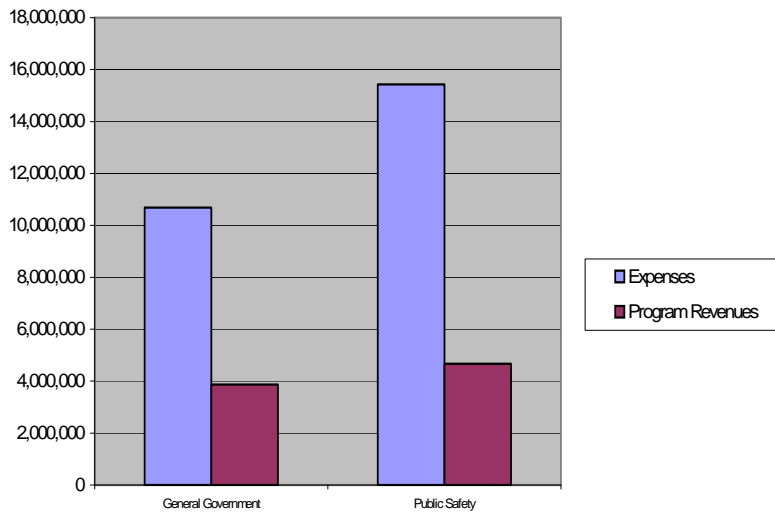
<b>April 30, 2010</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Revenues:			
Program revenues:			
Charges for services	\$4,323,553	\$4,805,474	\$9,129,027
Operating grants and contributions	3,464,115	143,407	3,607,522
General revenues:			
Property taxes	12,714,276	-	12,714,276
Other taxes	7,968,968	-	7,968,968
Miscellaneous	1,520,706	579	1,521,285
Transfers in (out)	832,587	(832,587)	-
Total revenues	30,824,205	4,116,873	34,941,078
Expenses:			
General government	15,154,176	-	15,154,176
Public safety	14,827,780	-	14,827,780
Interest expense	845,791	-	845,791
Public works	-	4,303,002	4,303,002
Airport	-	750,231	750,231
Total expenses	30,827,747	5,053,233	35,880,980
Change in net assets	(3,542)	(936,360)	(939,902)
Net assets May 1, 2009	37,392,543	22,812,556	60,205,099
Net assets April 30, 2010	\$37,389,001	\$21,876,196	\$59,265,197

The following charts summarize how governmental activities as of April 30, 2011, are funded.

**Revenues by Source - Governmental Activities**



**Expenses and Program Revenues by Function**



45% of governmental activities are funded by property tax. This strong reliance on property taxes limit Village spending. The Village has continued to provide the same level of services for its residents by continuing to adhere to its prescribed fiscal controls. The challenges presented by limited revenue have been met through sound budget planning. Each year this becomes more challenging.

Business type activities are to be funded through charges for related services. This year, operating income before depreciation in the Waterworks and Sewerage Fund was \$1,334,604. For Fiscal Year 2010, the Waterworks and Sewerage Fund's operating income before depreciation was \$765,768. The Municipal Airport Fund had an operating loss before depreciation of \$(99,823) in FY2011, compared to an operating loss before depreciation of \$(115,723) in FY2010.

### **Financial Analysis of the Government's Funds**

Governmental funds provide information on near term inflows, outflows and balances of expendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The governmental funds, in total, ended the year with an overall operating deficit (before other financing sources and uses) of \$(2,241,767) in FY2011 compared to an operating deficit of \$(3,438,458) in FY2010. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$23,385,342, while governmental fund balances were \$24,649,686 at the end of FY2010.

Proprietary funds provide the same type of information found in the Fund financial statements. Net assets of the Waterworks and Sewerage Fund were \$14,297,609 and \$9,262,005 for the Municipal Airport Fund for the current fiscal year.

### **General Fund Budgetary Highlights**

No amendments were made to the original budget. Actual General Fund revenues were higher than budgeted revenues by \$3,461,694 in FY2011 and lower than budgeted revenues by \$4,285,992 in FY2010. In FY2011, actual General Fund expenditures were higher than budgeted expenditures by \$3,062,672 and lower than budgeted expenditures by \$13,822,239 in FY2010. However, there was a \$(238,727) net decrease in the fund balance during FY2011. Most of this variance relates to higher than anticipated public safety expenditures.

### **Capital Asset and Debt Administration**

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2011 and 2010 amounts to \$62,240,104 and \$62,471,146, net of depreciation, respectively. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. The Village has elected to depreciate these assets over their useful lives.

During the fiscal year, general obligation notes were issued in the amount of \$932,000. The Village also issued an installment note for \$150,000. At the end of the current year, the Village had total bond debt of \$17,900,000 in general obligation bonds, \$1,626,000 in general obligation notes, \$154,000 in a fire truck loan payable, and \$500,942 of installment notes. The Library had total debt of \$115,000 in general obligation bonds. During the fiscal year, bonded debt and notes were retired in the amount of \$728,160. The Village Public Library retired \$55,000 of bonds.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Lansing's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lansing Village Treasurer Arlette Frye, 3141 Ridge Road, Lansing, IL 60438.

Village of Lansing, Illinois

Statement of Net Assets

April 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit Public Library	Reporting Entity Total
<b>Assets</b>					
Current:					
Cash and cash equivalents	\$ 19,742,811	\$ 898,167	\$ 20,640,978	\$ 1,800,620	\$ 22,441,598
Cash held in escrow	460,305	-	460,305	-	460,305
Investments	206,578	-	206,578	-	206,578
Receivables:					
Property taxes	3,621,320	-	3,621,320	1,089,453	4,710,773
Intergovernmental	1,985,469	-	1,985,469	-	1,985,469
Accounts, customers	1,245,287	910,479	2,155,766	-	2,155,766
Accrued interest	-	7,906	7,906	230	8,136
Other assets	136,640	-	136,640	-	136,640
Prepaid items	-	13,430	13,430	17,687	31,117
Interfund balances	5,081,111	(5,081,111)	-	-	-
	<u>32,479,521</u>	<u>(3,251,129)</u>	<u>29,228,392</u>	<u>2,907,990</u>	<u>32,136,382</u>
Noncurrent:					
Net pension asset	1,773,642	-	1,773,642	-	1,773,642
Unamortized bond issuance costs	242,889	-	242,889	-	242,889
Unamortized discount on bonds	200,675	-	200,675	-	200,675
Capital assets, not being depreciated	9,611,766	10,507,108	20,118,874	-	20,118,874
Capital assets, net of accumulated depreciation	23,186,385	18,934,845	42,121,230	553,639	42,674,869
	<u>35,015,357</u>	<u>29,441,953</u>	<u>64,457,310</u>	<u>553,639</u>	<u>65,010,949</u>
Total assets	<u>\$ 67,494,878</u>	<u>\$ 26,190,824</u>	<u>\$ 93,685,702</u>	<u>\$ 3,461,629</u>	<u>\$ 97,147,331</u>

See Notes to Financial Statements.

	Governmental Activities	Business-Type Activities	Total	Component Unit Public Library	Reporting Entity Total
<b>Liabilities</b>					
Current					
Accounts payable	\$ 4,517,947	\$ 202,784	\$ 4,720,731	\$ 57,251	\$ 4,777,982
Accrued payroll	557,902	101,199	659,101	43,971	703,072
Accrued interest	141,843	-	141,843	2,073	143,916
Refundable deposits	107,148	412,178	519,326	-	519,326
Due to fiduciary funds	121,178	-	121,178	-	121,178
Deferred revenues	3,526,430	-	3,526,430	1,089,453	4,615,883
General obligation bonds	-	115,000	115,000	55,000	170,000
General obligation note	1,000,000	-	1,000,000	-	1,000,000
Installment note payable	8,983	53,359	62,342	-	62,342
Fire truck note payable	11,000	-	11,000	-	11,000
Compensated absences	37,465	13,370	50,835	57,797	108,632
<b>Total current liabilities</b>	<b>10,029,896</b>	<b>897,890</b>	<b>10,927,786</b>	<b>1,305,545</b>	<b>12,233,331</b>
Noncurrent					
General obligation bonds, net of loss on refunding	16,297,799	1,401,000	17,698,799	60,000	17,758,799
General obligation note	626,000	-	626,000	-	626,000
Installment note payable	181,881	256,719	438,600	-	438,600
Fire truck note payable	143,000	-	143,000	-	143,000
Claims payable	192,903	-	192,903	-	192,903
Other postemployment benefits	4,394,122	-	4,394,122	-	4,394,122
Compensated absences	1,336,576	75,601	1,412,177	-	1,412,177
<b>Total noncurrent liabilities</b>	<b>23,172,281</b>	<b>1,733,320</b>	<b>24,905,601</b>	<b>60,000</b>	<b>24,965,601</b>
<b>Total liabilities</b>	<b>33,202,177</b>	<b>2,631,210</b>	<b>35,833,387</b>	<b>1,365,545</b>	<b>37,198,932</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	14,529,488	27,615,875	42,145,363	438,639	42,584,002
Restricted for debt service	3,188,362	-	3,188,362	-	3,188,362
Restricted for capital projects	14,531,391	-	14,531,391	-	14,531,391
Restricted for special revenue	2,970,372	-	2,970,372	-	2,970,372
Unrestricted (deficit)	(926,912)	(4,056,261)	(4,983,173)	1,657,445	(3,325,728)
<b>Total net assets</b>	<b>\$ 34,292,701</b>	<b>\$ 23,559,614</b>	<b>\$ 57,852,315</b>	<b>\$ 2,096,084</b>	<b>\$ 59,948,399</b>

Village of Lansing, Illinois

Statement of Activities  
Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets			Component Unit Public Library	Reporting Entity Total
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total		
Governmental activities								
General government	\$ 16,438,512	\$ -	\$ 3,477,901	\$ (12,960,611)	\$ -	\$ (12,960,611)	\$ (1,732,128)	\$ (14,692,739)
Public safety	14,383,846	3,347,679	-	(11,036,167)	-	(11,036,167)	-	(11,036,167)
Interest expense	900,988	-	-	(900,988)	-	(900,988)	(6,198)	(907,186)
Total governmental activities	31,723,346	3,347,679	3,477,901	(24,897,766)	-	(24,897,766)	(1,738,326)	(26,636,092)
Business-type activities								
Public works	4,468,245	4,573,239	1,970,978	-	2,075,972	2,075,972	-	2,075,972
Airport	1,123,873	424,426	201,121	-	(498,326)	(498,326)	-	(498,326)
Total business-type activities	5,592,118	4,997,665	2,172,099	-	1,577,646	1,577,646	-	1,577,646
Total	\$ 37,315,464	\$ 8,345,344	\$ 5,650,000	(24,897,766)	1,577,646	(23,320,120)	(1,738,326)	(25,058,446)
General revenues								
Taxes:								
Property				10,696,637	-	10,696,637	1,979,832	12,676,469
Sales				5,726,422	-	5,726,422	-	5,726,422
Utility				1,619,697	-	1,619,697	-	1,619,697
Replacement				208,191	-	208,191	-	208,191
Motel				315,785	-	315,785	-	315,785
Other				1,468,021	-	1,468,021	-	1,468,021
Investment income				69,807	1,195	71,002	901	71,903
Miscellaneous				1,801,483	-	1,801,483	85,289	1,886,772
Transfers in				1,780,570	153,152	1,933,722	-	1,933,722
Transfers (out)				(1,885,147)	(48,575)	(1,933,722)	-	(1,933,722)
Total general revenues and transfers				21,801,466	105,772	21,907,238	2,066,022	23,973,260
Change in net assets				(3,096,300)	1,683,418	(1,412,882)	327,696	(1,085,186)
Net assets, May 1, 2010				37,389,001	21,876,196	59,265,197	1,768,388	61,033,585
Net assets, April 30, 2011				\$ 34,292,701	\$ 23,559,614	\$ 57,852,315	\$ 2,096,084	\$ 59,948,399

See Notes to Financial Statements.

Village of Lansing, Illinois

Balance Sheet - Governmental Funds  
April 30, 2011

	General Fund	TIF Ridge Road	TIF The Landings	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,543,511	\$ 8,697,693	\$ 2,396,611	\$ 7,104,996	\$ 19,742,811
Cash held in escrow	-	-	460,305	-	460,305
Investments	-	-	-	206,578	206,578
Receivables					
Property taxes	2,946,728	-	-	674,592	3,621,320
Accounts	1,245,287	-	-	-	1,245,287
Intergovernmental	1,926,994	-	-	58,475	1,985,469
Due from other funds	2,558,571	3,099,291	-	2,818,697	8,476,559
Other assets	129,707	-	-	6,933	136,640
<b>Total assets</b>	<b>\$ 10,350,798</b>	<b>\$ 11,796,984</b>	<b>\$ 2,856,916</b>	<b>\$ 10,870,271</b>	<b>\$ 35,874,969</b>
<b>Liabilities</b>					
Accounts payable	\$ 799,813	\$ 649,943	\$ 2,856,916	\$ 211,275	\$ 4,517,947
Accrued payroll	557,902	-	-	-	557,902
Deposits	107,148	-	-	-	107,148
Due to other funds	3,075,306	-	-	441,320	3,516,626
Deferred revenue	3,115,412	-	-	674,592	3,790,004
<b>Total liabilities</b>	<b>7,655,581</b>	<b>649,943</b>	<b>2,856,916</b>	<b>1,327,187</b>	<b>12,489,627</b>
<b>Fund Balances</b>					
Reserved for debt service	-	-	-	3,188,362	3,188,362
Unreserved	2,695,217	11,147,041	-	6,354,722	20,196,980
<b>Total fund balances</b>	<b>2,695,217</b>	<b>11,147,041</b>	<b>-</b>	<b>9,543,084</b>	<b>23,385,342</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,350,798</b>	<b>\$ 11,796,984</b>	<b>\$ 2,856,916</b>	<b>\$ 10,870,271</b>	<b>\$ 35,874,969</b>

See Notes to Financial Statements.

**Village of Lansing, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2011**

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Total fund balances-governmental funds	\$ 23,385,342
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Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,798,151
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State revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.	263,574
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Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	242,889
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Discount on bonds that are other financing uses in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	200,675
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Losses on debt refundings that are other financing uses in the fund financial statements are amortized over the life of the bonds and are netted with general obligation bonds in the government-wide financial statements.	86,201
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Certain assets reported in the Statement of Net Assets do not result in current financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:

Net pension asset	1,773,642
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Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:

General obligation bonds	(16,384,000)
General obligation notes	(1,626,000)
Installment notes payable	(190,864)
Fire truck note payable	(154,000)
Accrued interest	(141,843)
Claims payable	(192,903)
Other postemployment benefits	(4,394,122)
Compensated absences	(1,374,041)

Net assets of governmental activities	<u><u>\$ 34,292,701</u></u>
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See Notes to Financial Statements.



Village of Lansing, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2011

	General Fund	TIF Ridge Road	TIF The Landings	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Program:					
Charges for services	\$ -	\$ -	\$ -	\$ 1,698,451	\$ 1,698,451
Licenses and permits	745,289	-	-	-	745,289
Intergovernmental	2,809,339	-	-	1,107,180	3,916,519
Fines and forfeitures	653,933	-	-	272,321	926,254
General:					
Property taxes	5,190,003	2,288,785	-	3,217,849	10,696,637
Other taxes	9,129,925	-	-	-	9,129,925
Interest	4,844	14,573	27,085	23,305	69,807
Miscellaneous	1,801,483	-	-	-	1,801,483
<b>Total revenues</b>	<b>20,334,816</b>	<b>2,303,358</b>	<b>27,085</b>	<b>6,319,106</b>	<b>28,984,365</b>
<b>Expenditures:</b>					
Current:					
General government	6,399,434	14,725	1,474,087	3,296,228	11,184,474
Public safety	14,325,704	-	-	-	14,325,704
Capital outlay	455,879	1,236,336	2,063,534	525,572	4,281,321
Debt service:					
Principal	19,398	-	-	548,000	567,398
Interest and fees	3,068	-	-	864,167	867,235
<b>Total expenditures</b>	<b>21,203,483</b>	<b>1,251,061</b>	<b>3,537,621</b>	<b>5,233,967</b>	<b>31,226,132</b>
Excess (deficiency) of revenues over (under) expenditures	(868,667)	1,052,297	(3,510,536)	1,085,139	(2,241,767)
<b>Other financing sources (uses):</b>					
Proceeds from general obligation notes	932,000	-	-	-	932,000
Proceeds from installment notes payable	150,000	-	-	-	150,000
Transfers in	439,255	-	-	1,341,315	1,780,570
Transfers (out)	(891,315)	(28,683)	-	(965,149)	(1,885,147)
<b>Total other financing sources (uses)</b>	<b>629,940</b>	<b>(28,683)</b>	<b>-</b>	<b>376,166</b>	<b>977,423</b>
<b>Net change in fund balances</b>	<b>(238,727)</b>	<b>1,023,614</b>	<b>(3,510,536)</b>	<b>1,461,305</b>	<b>(1,264,344)</b>
<b>Fund balances, May 1, 2010</b>	<b>2,933,944</b>	<b>10,123,427</b>	<b>3,510,536</b>	<b>8,081,779</b>	<b>24,649,686</b>
<b>Fund balances, April 30, 2011</b>	<b>\$ 2,695,217</b>	<b>\$ 11,147,041</b>	<b>\$ -</b>	<b>\$ 9,543,084</b>	<b>\$ 23,385,342</b>

See Notes to Financial Statements.

Village of Lansing, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended April 30, 2011

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Net change in fund balances-total governmental funds \$ (1,264,344)

Amounts reported for governmental activities in the Statement of  
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	646,763
Depreciation	(1,479,363)

Loss on disposal of capital assets (37,932)

State revenues that are deferred in the fund financial statements because they are not available but are recognized in the government-wide financial statements.

Current year deferred balance	(252,742)
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Some general operations were financed through the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from:

General obligation notes	(932,000)
Installment notes payable	(150,000)

The following are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

General obligation note	548,000
Fire truck note payable	11,000
Installment note payable	8,398

Losses on refunded debt are recorded as an expenditure in the fund financial statements, but the loss netted with general obligation bonds in the Statement of Net Assets and is amortized over the life of the bonds.

Deferred loss on refunding	(5,388)
----------------------------	---------

Discount on bonds is recorded as other financing uses in the fund financial statements, but the discount is recorded as an asset in the Statement of Net Assets and is amortized over the life of the bonds. This is the amount in the current period.

Amortization of bond discount	(14,616)
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(Continued)

See Notes to Financial Statements.

**Village of Lansing, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities (Continued)  
Year Ended April 30, 2011**

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Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets which is amortized over the life of the bonds. These are the amounts in the current period.

Amortization of bond issuance costs	(18,727)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in net pension asset	1,075,147
Decrease in accrued interest	4,978
Decrease in claims	36,116
Increase in other postemployment benefits	(1,168,042)
Increase in compensated absences	(103,548)

Change in net assets of governmental activities	<u>\$ (3,096,300)</u>
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See Notes to Financial Statements.

Village of Lansing, Illinois

Statement of Net Assets  
Enterprise Funds  
April 30, 2011

	Municipal Airport	Waterworks and Sewerage	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 2,728	\$ 895,439	\$ 898,167
Receivables, Accounts:			
Customers, net of allowance for doubtful accounts	37,825	535,682	573,507
Unbilled services	-	336,972	336,972
Interest	7,906	-	7,906
Due from other funds	-	455,811	455,811
Prepaid assets	2,621	10,809	13,430
<b>Total current assets</b>	<u>51,080</u>	<u>2,234,713</u>	<u>2,285,793</u>
Capital Assets			
Land and improvements	7,888,445	2,018,049	9,906,494
Construction in process	-	600,614	600,614
Municipal airport system	15,057,413	-	15,057,413
Waterworks and sewerage system	-	33,831,788	33,831,788
	<u>22,945,858</u>	<u>36,450,451</u>	<u>59,396,309</u>
Less accumulated depreciation	8,717,242	21,237,114	29,954,356
<b>Net capital assets</b>	<u>14,228,616</u>	<u>15,213,337</u>	<u>29,441,953</u>
<b>Total assets</b>	<u>14,279,696</u>	<u>17,448,050</u>	<u>31,727,746</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	40,301	162,483	202,784
Accrued liabilities	31,480	69,719	101,199
Deposits	40,326	371,852	412,178
Due to other funds	3,067,053	2,469,869	5,536,922
General obligation bond payable	115,000	-	115,000
Installment note payable	53,359	-	53,359
Compensated absences	-	13,370	13,370
<b>Total current liabilities</b>	<u>3,347,519</u>	<u>3,087,293</u>	<u>6,434,812</u>
Noncurrent Liabilities			
General obligation bond payable	1,401,000	-	1,401,000
Installment note payable	256,719	-	256,719
Compensated absences	12,453	63,148	75,601
<b>Total liabilities</b>	<u>5,017,691</u>	<u>3,150,441</u>	<u>8,168,132</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	12,402,538	15,213,337	27,615,875
Unrestricted	(3,140,533)	(915,728)	(4,056,261)
<b>Net Assets</b>	<u>\$ 9,262,005</u>	<u>\$ 14,297,609</u>	<u>\$ 23,559,614</u>

See Notes to Financial Statements.

Village of Lansing, Illinois

**Statement of Revenues, Expenses and  
Changes in Net Assets  
Enterprise Funds  
Year Ended April 30, 2011**

	Municipal Airport	Waterworks and Sewerage	Total
Operating revenues:			
Municipal airport fees and charges	\$ 424,426	\$ -	\$ 424,426
Water sales and sewer charges	-	4,426,675	4,426,675
Inspections and fees	-	137,291	137,291
Other	-	9,273	9,273
<b>Total operating revenues</b>	<b>424,426</b>	<b>4,573,239</b>	<b>4,997,665</b>
Operating expenses, other than depreciation	524,249	3,238,635	3,762,884
<b>Operating (loss) income before depreciation</b>	<b>(99,823)</b>	<b>1,334,604</b>	<b>1,234,781</b>
Depreciation	497,188	1,136,669	1,633,857
<b>Operating (loss) income</b>	<b>(597,011)</b>	<b>197,935</b>	<b>(399,076)</b>
Nonoperating income (expense):			
Interest income	25	1,170	1,195
Interest expense	(102,436)	-	(102,436)
Loss on disposal of capital assets	-	(92,941)	(92,941)
Capital contributions	201,121	1,970,978	2,172,099
Transfers in	153,152	-	153,152
Transfers (out)	-	(48,575)	(48,575)
<b>Change in net assets</b>	<b>(345,149)</b>	<b>2,028,567</b>	<b>1,683,418</b>
<b>Net Assets</b>			
May 1, 2010	9,607,154	12,269,042	21,876,196
April 30, 2011	<u>\$ 9,262,005</u>	<u>\$ 14,297,609</u>	<u>\$ 23,559,614</u>

See Notes to Financial Statements.

**Village of Lansing, Illinois**

**Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2011**

	Municipal Airport	Waterworks and Sewerage	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from residents for services	\$ 439,675	\$ 4,607,142	\$ 5,046,817
Payments to employees	(193,472)	(930,052)	(1,123,524)
Payments to suppliers	(318,483)	(2,330,081)	(2,648,564)
Net cash flows (used in) provided by operating activities	<u>(72,280)</u>	<u>1,347,009</u>	<u>1,274,729</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Increase in due from other funds	-	(455,811)	(455,811)
Increase in due to other funds	179,443	-	179,443
Transfers in	153,152	-	153,152
Transfers out	-	(48,575)	(48,575)
Net cash flows provided by (used in) noncapital financing activities	<u>332,595</u>	<u>(504,386)</u>	<u>(171,791)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital assets purchased	-	(194,189)	(194,189)
Principal paid on general obligation bonds	(110,000)	-	(110,000)
Principal paid on note payable	(50,762)	-	(50,762)
Interest paid	(102,436)	-	(102,436)
Net cash flows (used in) capital and related financing activities	<u>(263,198)</u>	<u>(194,189)</u>	<u>(457,387)</u>
<b>Cash Flows from Investing Activities</b>			
Cash receipts from interest income	<u>25</u>	<u>1,170</u>	<u>1,195</u>
Net (decrease) increase in cash and cash equivalents	(2,858)	649,604	646,746
<b>Cash and cash equivalents:</b>			
May 1, 2010	<u>5,586</u>	<u>245,835</u>	<u>251,421</u>
April 30, 2011	<u>\$ 2,728</u>	<u>\$ 895,439</u>	<u>\$ 898,167</u>
<b>Supplemental schedule of noncash capital and related financing activities</b>			
Capital contribution of equipment	<u>\$ 201,121</u>	<u>\$ 1,970,978</u>	<u>\$ 2,172,099</u>

(Continued)

See Notes to Financial Statements.

**Village of Lansing, Illinois**

**Statement of Cash Flows – Enterprise Funds (Continued)  
Year Ended April 30, 2011**

	Municipal Airport	Waterworks and Sewerage	Total
<hr/>			
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities			
Operating (loss) income	\$ (597,011)	\$ 197,935	\$ (399,076)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	497,188	1,136,669	1,633,857
Changes in assets and liabilities:			
Accounts receivable	5,606	20,447	26,053
Prepaid assets	(884)	(3,023)	(3,907)
Accounts payable	29,090	23,964	53,054
Accrued liabilities	(3,863)	29,796	25,933
Deposits	9,643	13,456	23,099
Compensated absences payable	(12,049)	(72,235)	(84,284)
Total adjustments	<u>524,731</u>	<u>1,149,074</u>	<u>1,673,805</u>
Net cash (used in) provided by operating activities	<u>\$ (72,280)</u>	<u>\$ 1,347,009</u>	<u>\$ 1,274,729</u>

See Notes to Financial Statements.

Village of Lansing, Illinois

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 April 30, 2011

	Pension Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 5,099,672	\$ 81,973
Investments:		
U.S. government agencies	12,163,802	-
Mutual funds	9,877,153	-
Insurance contracts	9,768,396	-
Receivables:		
Accrued interest	44,756	-
Other	-	19,520
Due from other funds	-	142,819
Total assets	<u>36,953,779</u>	<u>244,312</u>
<b>Liabilities</b>		
Accounts payable	1,718	222,671
Due to other funds	-	21,641
<b>Total liabilities</b>	<u>1,718</u>	<u>244,312</u>
<b>Net Assets</b>		
Held in trust for pension benefits	<u>\$ 36,952,061</u>	<u>\$ -</u>

See Notes to Financial Statements.



**Village of Lansing, Illinois**

**Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2011**

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Additions	
Contributions:	
Employer	\$ 3,524,157
Plan member	642,796
Total contributions	<u>4,166,953</u>
Investment income:	
Net appreciation in fair value	1,536,284
Interest	817,491
Total investment income	<u>2,353,775</u>
Total additions	<u>6,520,728</u>
Deductions	
Benefits and refunds	3,505,700
Administrative expenses	125,032
Total deductions	<u>3,630,732</u>
Net increase	2,889,996
Net assets held in trust for pension benefits:	
May 1, 2010	<u>34,062,065</u>
April 30, 2011	<u>\$ 36,952,061</u>

See Notes to Financial Statements.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### Nature of Activities

The Village of Lansing provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. As required by generally accepted accounting principles, these financial statements include all of the funds and account groups of the Village of Lansing, the primary government, and Lansing Public Library, its component unit, which is included in the Village's reporting entity because of its operational and financial relationship with the Village.

The Village is a Home Rule unit under the Home Rule provision of the Illinois State Constitution.

The Lansing Public Library provides library services to the residents of the Village of Lansing, but is governed by a board which is separately elected by the public. Financial data of the Library has been discretely presented in the component unit column in the general purpose financial statements to emphasize that it is legally separate from the Village. Separate financial statements of the Library are not prepared.

The accounting policies of the Village of Lansing conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, the Lansing Public Library has been included as a component unit within the reporting entity.

##### Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements:* The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets, if applicable, result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

If both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

*Fund Financial Statements:* Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Tax Incremental Financing (TIF) Ridge Road Fund and TIF The Landings Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds – Municipal Airport and Waterworks and Sewerage. There are no nonmajor enterprise funds.

The major governmental funds are as follows:

*General Fund* – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

*TIF Ridge Road Fund* - This capital projects fund is used to account for resources used for the acquisition or construction of major capital facilities.

*TIF The Landings Fund* – This capital projects fund is used to account for resources used for the acquisition or construction of major capital facilities.

The major proprietary funds are as follows:

*Waterworks and Sewerage Fund* – This enterprise fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

*Municipal Airport Fund* - This enterprise fund accounts for the financing and operation of the Village's airport.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and agency funds, which account for assets held as custodian or agent for others.

#### Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within approximately 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

#### **Assets, liabilities, and net assets or equity**

##### **Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

##### **Investments**

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value which approximates fair value.

##### **Interfund Receivables, Payables and Activity**

The Village has the following types of transactions between funds:

*Loans*—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

*Reimbursements*—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

*Transfers*—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### Capital Assets

Capital assets which include land, streets, buildings, storm sewers, sanitary sewers, water mains, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Equipment, building, and infrastructure capital assets are defined as assets with an initial, individual cost of more than \$5,000, \$25,000, and \$50,000, respectively, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings	30 years
Equipment	5 - 10 years
Infrastructure	10 - 40 years
Waterworks and sewerage system	30 - 60 years
Municipal airport system	10 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

##### Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Compensated Absences**

Certain Village employees accumulate vacation and sick hours, and compensatory time for subsequent use or for payment upon termination, death or retirement. All accrued vacation, sick pay, and compensatory time is recognized as an expense and as a liability of the enterprise funds at the time the liability is incurred. Governmental fund types record accumulated vacation, sick pay, and compensatory time as an expenditure in the current year to the extent it is paid or is expected to be paid with available financial resources; otherwise the General Fund is typically used to liquidate these liabilities.

##### **Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

##### **Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

##### **Accounting Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

##### **Eliminations and Reclassifications**

In the process of aggregating data for the Government-Wide Statement of Activities, some amounts reported as interfund activities and interfund balances are eliminated or reclassified.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### New Accounting Pronouncements

Effective May 1, 2010, the Village adopted the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby, enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

Effective May 1, 2010, the Village adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

These statements had no effect on the Village as of April 30, 2011.

#### Note 2. Cash and Investments

##### Deposits

###### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's policy requires funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held by an independent third party institution in the name of the municipality. As of April 30, 2011, the carrying amount of the Village's deposits was \$25,816,724, with bank balances totaling \$25,725,144. Of these bank balances, \$3,893,314 was covered by federal depository insurance, \$21,334,758 was collateralized with securities held by the Village or its agent in the Village's name, and \$497,072 was uncollateralized.

As of April 30, 2011, the carrying amount of the Lansing Public Library's deposits was \$1,800,620 with the bank balance of \$1,831,479. Of the bank balance, \$250,000 was covered by Federal depository insurance and \$1,581,479 was collateralized with securities held by the Library or its agent in the Library's name.

As of April 30, 2011, the Village has \$460,305 of cash held in escrow. Of this balance, \$250,000 was covered by federal depository insurance and \$210,305 was collateralized with securities held by the Village's agent in the Village's name.



## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

##### Investments

As of April 30, 2011, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government					
Agencies	\$ 12,294,453	\$ 3,029,745	\$ 4,132,935	\$ 248,252	\$ 4,883,521
Certificate of Deposit	75,927	-	75,927	-	-
Illinois Funds	5,899	5,899	-	-	-
Mutual funds	9,877,153	9,877,153	-	-	-
	<u>\$ 22,253,432</u>	<u>\$ 12,912,797</u>	<u>\$ 4,208,862</u>	<u>\$ 248,252</u>	<u>\$ 4,883,521</u>

The Illinois Funds are shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

*Interest Rate Risk* - The Village's investment policy requires the portfolio to obtain a comparable rate of return during a market/economic environment of stable interest rates. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements, and unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than one year from the date of purchase.

*Credit Risk* – State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. As of April 30, 2011, the Village's investments in U.S. Government agencies and mutual funds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Village's investment policy requires that investments be made in the types of securities allowed for in the Illinois statutes regarding the investment of public funds.

*Concentration of Credit Risk.* Concentration of credit risk is the Village's risk when more than 5 percent of the Village's investments are with a single issuer. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. As of April 30, 2011, the Village is in compliance of their investment policy. More than 5 percent of the Village's investments are in FNMA'S, FHLMC's, and GNMA's. These investments are 24.76%, 15.42% and 9.04%, respectively, of the Village's total investments.

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

**Note 2. Cash and Investments (Continued)**

As of April 30, 2011, the Village's fair values of investments that are not included in the totals above are as follows:

Insurance contracts \$ 9,768,396

*Custodial Credit Risk* – For an investment, this is the risk that in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. agency securities are held by the Village's agent in the Village's name. The Illinois Funds Investment Pool is not subject to custodial credit risk. The Village's investment policy requires the Village Treasurer to maintain a list of financial institutions authorized to provide investment services and a list be maintained of approved security brokers/dealers selected by credit worthiness. All security transactions entered into by the Village shall be conducted on a delivery-verses-payment basis, and securities will be held by an independent third party custodian designated by the Village Treasurer and evidenced by safekeeping receipts and a written custodian agreement.

Certificates of deposit and money market accounts, which have been presented as bank deposits in this note, are classified as investments for financial reporting purposes. The above cash and investments totaling \$60,099,477 are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Component Unit	Fiduciary Funds	Total
Cash and cash equivalents	\$ 19,742,811	\$ 898,167	\$ 1,800,620	\$ 5,181,645	\$ 27,623,243
Cash held in escrow	460,305	-	-	-	460,305
Investments	206,578	-	-	31,809,351	32,015,929
	<u>\$ 20,409,694</u>	<u>\$ 898,167</u>	<u>\$ 1,800,620</u>	<u>\$ 36,990,996</u>	<u>\$ 60,099,477</u>

**Note 3. Property Taxes**

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and July 1, and are payable in two installments which become due on or about March 1 and August 1. The County collects such taxes and periodically remits them to the Village. A reduction of the tax levy amount for collection losses has been made to reduce the property taxes receivable to the estimated amount to be collected.

The Village recognizes one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred revenue this year. This methodology conforms to the measurable and available criteria for revenue recognition. The portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year-end is not considered available to pay current liabilities and is, therefore, shown as deferred revenue.

Village of Lansing, Illinois

Notes to Basic Financial Statements

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**Note 4. Capital Assets**

**Governmental Activities**

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance, May 1, 2010	Additions	Deletions and Transfers	Balance, April 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,555,579	\$ 56,187	\$ -	\$ 9,611,766
Construction in progress	1,179,958	-	1,179,958	-
	<u>10,735,537</u>	<u>56,187</u>	<u>1,179,958</u>	<u>9,611,766</u>
Capital assets being depreciated:				
Land improvements	2,067,895	232,537	-	2,300,432
Buildings	10,849,325	444,329	-	11,293,654
Equipment	6,073,502	719,242	555,834	6,236,910
Infrastructure	24,127,699	374,426	-	24,502,125
	<u>43,118,421</u>	<u>1,770,534</u>	<u>555,834</u>	<u>44,333,121</u>
Less accumulated depreciation for:				
Land improvements	843,676	74,421	-	918,097
Buildings	3,346,085	232,305	-	3,578,390
Equipment	3,940,819	407,607	517,902	3,830,524
Infrastructure	12,054,695	765,030	-	12,819,725
	<u>20,185,275</u>	<u>1,479,363</u>	<u>517,902</u>	<u>21,146,736</u>
Total capital assets being depreciated, net	<u>22,933,146</u>	<u>291,171</u>	<u>37,932</u>	<u>23,186,385</u>
Governmental activities capital assets, net	<u>\$ 33,668,683</u>	<u>\$ 347,358</u>	<u>\$ 1,217,890</u>	<u>\$ 32,798,151</u>

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets (Continued)**

***Business-Type Activities***

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance, May 1, 2010	Additions	Deletions and Transfers	Balance, April 30, 2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 9,906,494	\$ -	\$ -	\$ 9,906,494
Construction in process	-	600,614	-	600,614
	<u>9,906,494</u>	<u>600,614</u>	<u>-</u>	<u>10,507,108</u>
Capital assets being depreciated:				
Waterworks and sewerage system	33,049,666	1,564,553	782,431	33,831,788
Municipal airport system	14,856,292	201,121	-	15,057,413
	<u>47,905,958</u>	<u>1,765,674</u>	<u>782,431</u>	<u>48,889,201</u>
Less accumulated depreciation for:				
Waterworks and sewerage system	20,789,935	1,136,669	689,490	21,237,114
Municipal airport system	8,220,054	497,188	-	8,717,242
	<u>29,009,989</u>	<u>1,633,857</u>	<u>689,490</u>	<u>29,954,356</u>
Total capital assets being depreciated, net	<u>18,895,969</u>	<u>131,817</u>	<u>92,941</u>	<u>18,934,845</u>
Business-type activities capital assets, net	<u>\$ 28,802,463</u>	<u>\$ 732,431</u>	<u>\$ 92,941</u>	<u>\$ 29,441,953</u>

**Component Unit Activities**

A summary of changes in capital assets for the component unit of the Village is as follows:

	Balance, May 1, 2010	Additions	Deletions and Transfers	Balance, April 30, 2011
Capital assets being depreciated:				
Land improvements	\$ 58,653	\$ -	\$ -	\$ 58,653
Buildings	1,831,606	-	-	1,831,606
Equipment	2,579,187	-	-	2,579,187
	<u>4,469,446</u>	<u>-</u>	<u>-</u>	<u>4,469,446</u>
Less accumulated depreciation for:				
Land improvements	58,653	-	-	58,653
Buildings	1,259,376	36,890	-	1,296,266
Equipment	2,555,837	5,051	-	2,560,888
	<u>3,873,866</u>	<u>41,941</u>	<u>-</u>	<u>3,915,807</u>
Total capital assets being depreciated, net	<u>\$ 595,580</u>	<u>\$ (41,941)</u>	<u>\$ -</u>	<u>\$ 553,639</u>

Village of Lansing, Illinois

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities	Component Unit Activities
General government	\$ 1,035,219	\$ -	\$ -
Public safety	444,144	-	-
Public works	-	1,136,669	-
Municipal airport	-	497,188	-
Library	-	-	41,941
	<u>\$ 1,479,363</u>	<u>\$ 1,633,857</u>	<u>\$ 41,941</u>

Note 5. Long-Term Obligations

Governmental Activities

The following is a summary of debt transactions of the Village's governmental activities for the year ended April 30, 2011:

	General Obligation Bonds*	General Obligation Notes	Installment Notes Payable	Fire Truck Note Payable	Compensated Absences	Claims	Total
Balance, May 1, 2010	\$ 16,384,000	\$ 1,242,000	\$ 49,262	\$ 165,000	\$ 1,270,493	\$ 229,019	\$ 19,339,774
Compensated absences earned	-	-	-	-	198,008	-	198,008
Compensated absences used	-	-	-	-	(94,460)	-	(94,460)
Incurred claims	-	-	-	-	-	129,075	129,075
Claim payments	-	-	-	-	-	(165,191)	(165,191)
Debt issued	-	932,000	150,000	-	-	-	1,082,000
Debt retired	-	(548,000)	(8,398)	(11,000)	-	-	(567,398)
Balance, April 30, 2011	<u>\$ 16,384,000</u>	<u>\$ 1,626,000</u>	<u>\$ 190,864</u>	<u>\$ 154,000</u>	<u>\$ 1,374,041</u>	<u>\$ 192,903</u>	<u>\$ 19,921,808</u>
Payable in one year	\$ -	\$ 1,000,000	\$ 8,983	\$ 11,000	\$ 37,465	\$ -	\$ 1,057,448

On December 31, 2010, the Village issued General Obligation Notes in the amount of \$932,000 for the purpose of fulfilling the general obligations of the Village. On March 13, 2011, the Village entered into a note payable with a financial institution in the amount of \$150,000 for the purpose of purchasing vehicles.

\* - General obligation bonds are presented net of \$86,201 refunding loss on the statement of net assets.

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

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**Note 5. Long-Term Obligations (Continued)**

***Business-Type Activities***

The following is a summary of debt transactions of the Village's business-type activities for the year ended April 30, 2011:

	General Obligation Bonds	Installment Note Payable	Compensated Absences	Total
Balance, May 1, 2010	\$ 1,626,000	\$ 360,840	\$ 173,255	\$ 2,160,095
Compensated absences earned	-	-	30,941	30,941
Compensated absences used	-	-	(115,225)	(115,225)
Debt retired	(110,000)	(50,762)	-	(160,762)
Balance, April 30, 2011	<u>\$ 1,516,000</u>	<u>\$ 310,078</u>	<u>\$ 88,971</u>	<u>\$ 1,915,049</u>
Payable in one year	<u>\$ 115,000</u>	<u>\$ 53,359</u>	<u>\$ 13,370</u>	<u>\$ 181,729</u>

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

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**Note 5. Long-Term Obligations (Continued)**

***Component Unit***

The following is a summary of debt transactions of the Library's governmental activities for the year ended April 30, 2011:

	General Obligation Bonds	Compensated Absences	Total
Balance, May 1, 2010	\$ 170,000	\$ 64,808	\$ 234,808
Compensated absences earned	-	128,544	128,544
Compensated absences used	-	(135,555)	(135,555)
Debt retired	(55,000)	-	(55,000)
Balance, April 30, 2011	<u>\$ 115,000</u>	<u>\$ 57,797</u>	<u>\$ 172,797</u>
Payable in one year	<u>\$ 55,000</u>	<u>\$ 57,797</u>	<u>\$ 112,797</u>

Details of the long-term debt of the Village and its component unit as of April 30, 2011, are as follows:

General Obligation Bonds and Notes:

2002B General Obligation Bonds, due in annual installments of \$55,000 in 2012, and \$60,000 in 2013. Interest is at rates of 4.050% to 4.375%. The Library Fund is responsible for the required payments on these bonds.	\$ 115,000
2003 General Obligation Bonds, due in annual installments of \$115,000 in 2012, \$120,000 in 2013, \$125,000 in 2014, \$130,000 in 2015, \$135,000 in 2016, \$140,000 in 2017, \$145,000 in 2018, and \$155,000 in 2019. Interest is at 5.50%. The Airport Fund is responsible for the required payments on these bonds.	1,065,000

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Obligations (Continued)

2008A General Obligation Bonds, due in annual installments of \$820,000 in 2014, \$850,000 in 2015, \$885,000 in 2016, \$925,000 in 2017, \$965,000 in 2018, \$1,010,000 in 2019, \$1,055,000 in 2020, \$1,110,000 in 2021, \$1,160,000 in 2022, and \$1,220,000 in 2023. Interest is at rates of 4.25% to 5.00%. The General Obligation Bond Fund is responsible for the required payments on these bonds.	\$ 10,000,000
2009A General Obligation Bonds, due in annual installments of \$250,000 in 2023, \$1,000,000 in 2024, \$1,000,000 in 2025, \$1,000,000 in 2026, and \$810,000 in 2027. Interest is at rates of 4.20% to 4.65%. The General Obligation Bond Fund and the Waterworks and Sewerage Fund are responsible for 88.89% and 11.11%, respectively, of the required payments on these bonds.	4,060,000
2009B General Obligation Bonds, due in annual installments of \$450,000 in 2022, \$300,000 in 2023, \$1,000,000 in 2028, and \$1,025,000 in 2029. Interest is at rates of 4.85% to 5.35%. The General Obligation Bond Fund is responsible for the required payments on these bonds.	2,775,000
2009C General Obligation (Limited Tax) Notes, due in annual installments of \$496,000 in 2012, and \$248,000 in 2013. Interest is at 5.80%. The General Obligation Bond Fund is responsible for the required repayments on these bonds.	744,000
2010 General Obligation (Limited Tax) Notes, due in annual installments of \$504,000 in 2012 and \$378,000 in 2013. Interest is at 5.80%. The General Obligation Bond Fund is responsible for the required repayments on these bonds.	882,000
<b>Total General Obligation Bonds and Notes</b>	<u>19,641,000</u>
Installment Notes and Loan Payable:	
Note for the purchase of a building with principal of \$8,983 in 2012, \$9,608 in 2013, \$10,277 in 2014, \$10,993 in 2015 and \$1,003 in 2016. Interest is at a rate of 6.75%. The General Fund is responsible for making the required payments on this note.	40,864
Interest-free note for the purchase of a fire truck with principal of \$11,000 in 2012 through 2025. The General Fund is responsible for making the required payments on this note.	154,000
Promissory note for the purpose of financing current airport operations with principal of \$53,359 in 2012, \$56,089 in 2013, \$58,958 in 2014, \$61,975 in 2015, \$65,145 in 2016, and \$14,552 in 2017. Interest is at a rate of 5.00%. The Airport Fund is responsible for making the required payments on this note.	310,078
Promissory note for the purpose of financing vehicles with principal of \$73,062 in 2012 and \$79,938 in 2013. Interest is at a rate of 5.40%. The General Fund is responsible for making the required payments on this note.	150,000
<b>Total Installment Notes and Loan Payable</b>	<u>654,942</u>
Compensated Absences	<u>1,520,809</u>
Claims	<u>192,903</u>
<b>Total Long-Term Debt</b>	<u>\$ 22,009,654</u>



Village of Lansing, Illinois

Notes to Basic Financial Statements

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**Note 5. Long-Term Obligations (Continued)**

***Debt service requirements to maturity***

The future debt service requirements to amortize the outstanding debt of the Village's governmental activities, excluding compensated absences and claims payable and including interest of \$8,554,708 are as follows:

Year	General Obligation Bonds	General Obligation Notes	Installment Contracts and Notes Payable	Total
2012	\$ 787,915	\$ 1,076,865	\$ 102,166	\$ 1,966,946
2013	787,915	644,377	102,015	1,534,307
2014	1,607,915	-	22,466	1,630,381
2015	1,596,915	-	22,467	1,619,382
2016	1,589,415	-	12,003	1,601,418
2017-2021	7,950,653	-	55,000	8,005,653
2022-2026	7,456,560	-	44,000	7,500,560
2027-2029	3,050,926	-	-	3,050,926
	<u>\$ 24,828,213</u>	<u>\$ 1,721,242</u>	<u>\$ 360,117</u>	<u>\$ 26,909,572</u>

Village of Lansing, Illinois

Notes to Basic Financial Statements

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**Note 5. Long-Term Obligations (Continued)**

The future debt service requirements to amortize the outstanding debt of the Village's business-type activities excluding compensated absences and including interest of \$601,051 are as follows:

Year	General Obligation Bonds	Installment Note Payable	Total
2012	\$ 193,448	\$ 67,609	\$ 261,057
2013	192,123	67,609	259,732
2014	190,523	67,609	258,132
2015	188,648	67,609	256,257
2016	186,498	67,609	254,107
2017-2021	588,590	16,909	605,499
2022-2026	439,100	-	439,100
2027	93,244	-	93,244
	<u>\$ 2,072,175</u>	<u>\$ 354,954</u>	<u>\$ 2,427,129</u>

The future debt service requirements to amortize the outstanding debt of the Library's governmental activities, excluding compensated absences and including interest of \$7,656 are as follows:

Year	General Obligation Bonds
2012	\$ 60,031
2013	62,625
	<u>\$ 122,656</u>

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans:

##### Illinois Municipal Retirement Fund

*Plan Description.* The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actual contribution rates for the calendar years 2011 and 2010 used by the Village were 9.61 percent and 10.57 percent, respectively, of annual covered payroll. The Village's annual required contribution rates for calendar years 2011 and 2010 were 10.71 percent and 11.90 percent, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For fiscal year 2011, the Village's actual contributions for pension cost for the regular plan were \$510,580. Its required contribution for fiscal year 2011 was \$570,954, resulting in a net pension obligation of \$79,099 as of April 30, 2011.

The required contribution for 2011 was determined as part of the December 31, 2009 and 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 and 2008, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Information related to the employee's contribution is on a fiscal year basis. The actuarial and trend information are on a calendar year basis as that is the year used by IMRF.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2011	\$ 570,954	89.0%	\$ 79,099
4/30/2010	499,931	96.0%	18,332
4/30/2009	513,321	100.0%	-

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Pension and Retirement Plan Commitments (Continued)

*Funded Status and Funding Progress.* As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 75.38% funded. The actuarial accrued liability for benefits was \$15,326,879 and the actuarial value of assets was \$11,553,037, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,773,842. The covered payroll (annual payroll of active employees covered by the plan) was \$5,210,728 and the ratio of the UAAL to the covered payroll was 72.42%. In conjunction with the December 2010 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2011, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The Village's most recent actuarial determination was as of April 30, 2011. The employer rate for fiscal year 2011 was approximately 44 percent of covered payroll.

The Village's annual pension cost and net pension (asset) to the Plan for the year ended April 30, 2011 were as follows:

Annual required contribution	\$ 1,892,584
Interest on net pension (asset)	(11,847)
Adjustment to annual requirement contribution	(12,906)
Annual pension cost	<u>1,867,831</u>
Contributions made	<u>2,526,714</u>
(Increase) in net pension (asset)	(658,883)
Net pension (asset), beginning of year	<u>(136,344)</u>
Net pension (asset), end of year	<u><u>\$ (795,227)</u></u>

Village of Lansing, Illinois

Notes to Basic Financial Statements

**Note 6. Pension and Retirement Plan Commitments (Continued)**

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2011, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.50% investment rate of return, (b) projected salary increases of 1.12% to 4.86% varying by age, (c) payroll growth of 4.00% per year, and (d) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2011, was 27 years.

Membership in the plan consisted of the following as of the April 30, 2011 actuarial valuation:

Retirees and beneficiaries receiving benefits	53
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	39
Active nonvested plan members	16
	16
<b>Total members</b>	<b>109</b>

The funded status of the Police Pension Plan as of April 30, 2011, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
04/30/2011	\$ 27,224,494	\$ 51,960,338	\$ 24,735,844	52.39 %	\$ 4,259,988	580.66 %

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension (Asset)
04/30/2011	\$ 1,867,831	\$ 2,526,714	135.28%	\$ (795,227)
04/30/2010	1,570,892	1,646,247	104.80%	(136,344)
04/30/2009	1,581,900	1,524,248	96.36%	(60,989)

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Pension and Retirement Plan Commitments (Continued)

##### Firefighters' Pension Plan

Firefighter sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Firefighters' Pension Plan is a fund of the Village and does not issue separate financial statements.

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.46% of their base salary to the Firefighters' Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The Village's most recent actuarial determination was as of April 30, 2011. The employer rate for fiscal year 2011 was approximately 26% of covered payroll.

The Village's annual pension cost and net pension (asset) to the Plan for the year ended April 30, 2011 were as follows:

Annual required contribution	\$ 535,061
Interest on net pension (asset)	(43,641)
Adjustment to annual requirement contribution	<u>28,992</u>
Annual pension cost	520,412
Contributions made	<u>997,443</u>
(Increase) in net pension (asset)	(477,031)
Net pension (asset), beginning of year	<u>(580,483)</u>
Net pension (asset), end of year	<u><u>\$ (1,057,514)</u></u>

The annual required contribution for the year ended April 30, 2011 was determined as part of the April 30, 2011 actuarial valuation report using the entry age normal cost method. The assumptions included (a) 7.50% investment rate of return, (b) projected salary increases of 1.12% to 4.86% varying by age, (c) payroll growth of 4.50% per year, and (d) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2%. The actuarial value of Fire Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2011, was 27 years.

Membership in the plan consisted of the following as of the April 30, 2011 actuarial valuation:

Retirees and beneficiaries receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	3
Active vested plan members	13
Active nonvested plan members	<u>14</u>
<b>Total members</b>	<u><u>48</u></u>

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

**Note 6. Pension and Retirement Plan Commitments (Continued)**

The funded status of the Firefighters' Pension Plan as of April 30, 2011, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
04/30/2011	\$ 10,603,562	\$ 15,501,270	\$ 4,897,708	68.40 %	\$ 2,023,962	241.99 %

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension (Asset)
04/30/2011	\$ 520,412	\$ 997,443	191.66%	\$ (1,057,514)
04/30/2010	439,443	658,472	149.84%	(580,483)
04/30/2009	477,726	541,689	113.39%	(361,454)

**Combining Statement of Net Assets  
Pension Trust Funds  
April 30, 2011**

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,276,165	\$ 1,823,507	\$ 5,099,672
Investments:			
U.S. government agencies	10,099,369	2,064,433	12,163,802
Mutual funds	6,940,600	2,936,553	9,877,153
Insurance contracts	6,189,653	3,578,743	9,768,396
Receivables:			
Accrued interest	31,346	13,410	44,756
<b>Total assets</b>	<b>26,537,133</b>	<b>10,416,646</b>	<b>36,953,779</b>
<b>Liabilities</b>			
Accounts payable	1,024	694	1,718
<b>Net Assets</b>			
Held in trust for pension benefits	\$ 26,536,109	\$ 10,415,952	\$ 36,952,061

Village of Lansing, Illinois

Notes to Basic Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Net Assets  
Pension Trust Funds  
Year Ended April 30, 2011

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 2,526,714	\$ 997,443	\$ 3,524,157
Plan members	442,850	199,946	642,796
<b>Total contributions</b>	<u>2,969,564</u>	<u>1,197,389</u>	<u>4,166,953</u>
Investment income:			
Net appreciation in fair value	1,185,328	350,956	1,536,284
Interest	616,329	201,162	817,491
<b>Total investment income</b>	<u>1,801,657</u>	<u>552,118</u>	<u>2,353,775</u>
<b>Total additions</b>	<u>4,771,221</u>	<u>1,749,507</u>	<u>6,520,728</u>
<b>Deductions</b>			
Benefits and refunds	2,685,687	820,013	3,505,700
Administrative expenses	87,047	37,985	125,032
<b>Total deductions</b>	<u>2,772,734</u>	<u>857,998</u>	<u>3,630,732</u>
<b>Net increase</b>	1,998,487	891,509	2,889,996
Net assets held in trust for pension benefits:			
May 1, 2010	<u>24,537,622</u>	<u>9,524,443</u>	<u>34,062,065</u>
April 30, 2011	<u>\$ 26,536,109</u>	<u>\$ 10,415,952</u>	<u>\$ 36,952,061</u>

Note 7. Risk Management

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA) for its workers' compensation coverages. IMLRMA is an organization of Villages in Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The IMLRMA pool purchases commercial insurance for its workers' compensation and liability coverage through member premiums. IMLRMA can assess supplemental premiums to fund these premium deficiencies. The Village has not made any supplemental payments to the IMLRMA during the last three years.

The Village maintains a health and medical benefit program which is available to all full-time employees. The Village has elected to be self-insured for certain members of this plan and, accordingly, is liable for the related employee health claims that are approved for payment. A purchased insurance policy covers claims over \$80,000 per individual and \$3,777,021 in the aggregate per calendar year. All administration and claims processing is done by an independent administrator. The amount of coverage has not decreased nor has the amount of settlements exceeded coverage in the current fiscal year or any of the past three years.



## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Risk Management (Continued)

Changes in the balances of claims liabilities are as follows:

Unpaid claims at April 30, 2009	\$ 215,442
Incurred claims	125,354
Claim payments	<u>(111,777)</u>
Unpaid claims at April 30, 2010	229,019
Incurred claims	129,075
Claim payments	<u>(165,191)</u>
Unpaid claims at April 30, 2011	<u><u>\$ 192,903</u></u>

#### Note 8. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Such accruals accumulate on a tax deferred basis until the employee withdraws the funds. The Village contributed \$0 to the plan for the year ended April 30, 2011.

#### Note 9. Commitments

The Village has committed future incremental property and sales tax revenue from specific parcels of land within its three tax incremental financing (TIF) districts for the payment of developer construction loans. As of April 30, 2011, these commitments are as follows:

<u>District</u>	<u>Commitment</u>
• West Lansing Tax Incremental Financing District	1) Lesser of 50% of future year property tax collection through 2014 on a parcel-by-parcel basis or \$1,639,894. One business will receive the lesser of 50% of future property tax collections through 2014 or \$8,050,000, plus interest of \$5,914,573. 2) Maximum of \$15,000 per year of future sales tax collections through 2014, not to exceed \$30,000.
• Ridge Road Tax Incremental Financing District	1) Lesser of various specified percentages of future property tax collections ranging from 50-100% over various designated time periods through 2012 on a parcel-by-parcel basis or \$515,945.
• The Landings Tax Incremental Financing District	1) The Landings TIF expired in December 2009. Accordingly, the TIF District has various contractual commitments of \$460,305 outstanding as of April 30, 2011. Payment on these contracts will be made from the cash held in escrow as shown on the Statement of Net Assets.

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

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**Note 9. Commitments (Continued)**

In addition, the Village has committed future sales tax revenue on two parcels of land outside of the TIF District boundaries. On each parcel, the Village committed 0% on the first \$100,000 of sales tax paid by the business, 100% on the second \$100,000, and 50% of sales tax paid in excess of \$200,000 through March 2027 and August 2029, or \$9,554,857 and \$3,588,887, respectively.

**Note 10. Other Financial Disclosures (FFS Level Only)**

(a) Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2011, are shown as follows:

Fund	Due From Other Funds
General Fund	
Nonmajor Governmental Funds	\$ 392,591
Airport Fund	2,165,980
TIF Ridge Road Fund	
General Fund	950,663
Airport Fund	133,363
Waterworks and Sewerage Fund	2,015,265
Nonmajor Governmental Funds	
General Fund	1,526,013
Other Nonmajor Governmental Funds	48,729
Fiduciary Funds	21,641
Airport Fund	767,710
Waterworks and Sewerage Fund	454,604
Fiduciary Funds	
General Fund	142,819
Waterworks and Sewerage Fund	
General Fund	<u>455,811</u>
Total	<u><u>\$ 9,075,189</u></u>

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

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**Note 10. Other Financial Disclosures (FFS Level Only) (Continued)**

Fund	Due to Other Funds
General Fund	
TIF Ridge Road Fund	\$ 950,663
Nonmajor Governmental Funds	1,526,013
Fiduciary Funds	142,819
Waterworks and Sewerage Fund	455,811
Nonmajor Governmental Funds	
General Fund	392,591
Other Nonmajor Governmental Funds	48,729
Fiduciary Funds	
Nonmajor Governmental Funds	21,641
Airport Fund	
General Fund	2,165,980
TIF Ridge Road Fund	133,363
Nonmajor Governmental Funds	767,710
Waterworks and Sewerage Fund	
TIF Ridge Road Fund	2,015,265
Nonmajor Governmental Funds	<u>454,604</u>
Total	<u><u>\$ 9,075,189</u></u>

Interfund receivables and payables are used as loans to fund short-term cash needs of individual funds.

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

**Note 10. Other Financial Disclosures (FFS Level Only) (Continued)**

(b) Transfers In/Out

The interfund transfers in and out for the year ended April 30, 2011, are as follows:

Fund	Transfers In
General Fund	
TIF Ridge Road Fund	\$ 28,683
Waterworks and Sewerage Fund	48,575
Nonmajor Governmental Funds	361,997
Nonmajor Governmental Funds	
General Fund	891,315
Other Nonmajor Governmental Funds	450,000
Airport Fund	
Nonmajor Governmental Funds	153,152
Total	<u>\$ 1,933,722</u>

Fund	Transfers Out
General Fund	
Nonmajor Governmental Funds	\$ 891,315
TIF Ridge Road	
General Fund	28,683
Nonmajor Governmental Funds	
General Fund	361,997
Other Nonmajor Governmental Funds	450,000
Airport Fund	153,152
Waterworks and Sewerage Fund	
General Fund	48,575
	<u>\$ 1,933,722</u>

Transfers are used to (a) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (b) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; (c) use unrestricted revenues collected in the General Fund to finance various programs accounted for in accordance with budgetary authorizations; and (d) move remaining balances from Refuse Fund into the General Fund.

(c) Excess of Expenditures Over Budget

The following funds overexpended their budget by the following amounts during the year ended April 30, 2011:

Fund	Excess
General Fund	\$ 3,062,672
Refuse Fund	37,369

**Village of Lansing, Illinois**

**Notes to Basic Financial Statements**

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**Note 11. Postemployment Healthcare Plan**

*Plan Description.* The Village of Lansing (Village) provides employer paid retiree medical (including prescription drugs) and to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy.* The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's health plan with an employer contribution rate of 100% of the premiums for the coverage elected by the employee. For fiscal year 2011, the Village contributed \$966,211 to the plan.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Village's net OPEB obligation at April 30, 2011 is included as a liability on the Statement of Net Assets as "other postemployment benefits." The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2011, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 2,079,818
Interest on net OPEB obligation	163,304
Adjustment to annual required contribution	<u>(108,869)</u>
Annual OPEB cost (expense)	2,134,253
Contributions made	<u>966,211</u>
Increase in net OPEB obligation	1,168,042
Net OPEB obligation beginning of year	<u>3,226,080</u>
Net OPEB obligation end of year	<u><u>\$ 4,394,122</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Year Ending	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2011	\$ 2,134,253	45.3%	\$ 4,394,122
04/30/2010	2,079,818	22.5%	3,226,080
04/30/2009	2,082,820	22.5%	1,614,541

**Note 11. Postemployment Healthcare Plan (Continued)**

*Funded Status and Funding Progress.* As of April 30, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$28,991,186 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$28,991,186. The covered payroll (annual payroll of active employees covered by the plan) was \$11,795,718, and the ratio of the UAAL to the covered payroll was 245.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, projected salary increases of 5%, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2011 was 30 years.

**Note 12. Pronouncements Issued But Not Yet Adopted**

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the Village beginning with its year ending April 30, 2012. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, will be effective for the Village with its year ended April 30, 2013. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans.

## Village of Lansing, Illinois

### Notes to Basic Financial Statements

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#### **Note 12. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 59, *Financial Instrument Omnibus*, will be effective for the Village with its year ended April 30, 2012. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the Village with its year ended April 30, 2013. This statement establishes recognition, measurement, and disclosure requirements for service concession arrangements (SCAs) for both transferors and governmental operators.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Village with its year ended April 30, 2014. This statement improves financial reporting for a governmental financial reporting entity by modifying requirements for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village with its year ended April 30, 2013. This statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that was previously included in certain other non-GASB literature issued before November 30, 1989.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the Village with its year ended April 30, 2013. This statement standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53*, will be effective for the Village with its year ended April 30, 2013. This statement enhances comparability and improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Management has not determined the impact, if any, these Statements will have on the financial position and results of operations of the Village.

**Required Supplementary Information**



Village of Lansing, Illinois

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	\$ 11,553,037	\$ 15,326,879	\$ 3,773,842	75.38 %	\$ 5,210,728	72.42 %
12/31/2009	13,251,973	16,964,757	3,712,784	78.11	6,007,998	61.80
12/31/2008	13,821,375	16,088,274	2,266,899	85.91	5,509,869	41.14

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$12,454,082. On a market basis, the funded ratio would be 81.26%.

**Village of Lansing, Illinois**

**Schedule of Funding Progress  
Police Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2011	\$ 27,224,494	\$ 51,960,338	\$ 24,735,844	52.39 %	\$ 4,259,988	580.66 %
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	25,358,155	44,532,347	19,174,192	56.94	4,372,684	438.50

N/A – The Village did not have an actuarial valuation performed in this year as it is only required every other year.

**Village of Lansing, Illinois**

**Schedule of Funding Progress  
Firefighters' Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2011	\$ 10,603,562	\$ 15,501,270	\$ 4,897,708	68.40 %	\$ 2,023,962	241.99 %
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	9,886,346	13,268,822	3,382,476	74.51	2,023,962	167.12

N/A – The Village did not have an actuarial valuation performed in this year as it is only required every other year.

**Village of Lansing, Illinois**

**Schedule of Funding Progress  
Postemployment Healthcare Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2011	\$ -	\$ 28,991,186	\$ 28,991,186	-	% \$ 11,795,718	245.8%
4/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2009	-	26,889,258	26,889,258	-	13,134,355	204.7%

N/A – The Village did not have actuarial valuations performed in these years as it is only required every other year.

**Village of Lansing, Illinois**

**Schedule of Employer Contributions  
Police Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
Fiscal Year			
2011	\$ 1,892,584	133.51	%
2010	1,572,325	104.52	
2009	1,572,325	96.94	

**Village of Lansing, Illinois**

**Schedule of Employer Contributions  
Firefighters' Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
Fiscal Year			
2011	\$ 535,061	186.42	%
2010	443,989	147.85	
2009	443,989	122.01	

**Village of Lansing, Illinois**

**Schedule of Employer Contributions  
Postemployment Healthcare Plan**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2011	\$ 2,079,818	45.27 %
2010	2,079,818	22.52
2009	2,082,820	22.48

Village of Lansing, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year Ended April 30, 2011**

	Budget	Actual	Variance
<b>Revenues:</b>			
Licenses and permits	\$ 863,650	\$ 745,289	\$ (118,361)
Intergovernmental	3,523,202	2,809,339	(713,863)
Fines and forfeitures	641,870	653,933	12,063
Property taxes	1,005,000	5,190,003	4,185,003
Other taxes	9,248,100	9,129,925	(118,175)
Interest	-	4,844	4,844
Miscellaneous	1,591,300	1,801,483	210,183
<b>Total revenues</b>	<b>16,873,122</b>	<b>20,334,816</b>	<b>3,461,694</b>
<b>Expenditures:</b>			
Current:			
General government	6,283,235	6,399,434	(116,199)
Public safety	10,643,514	14,325,704	(3,682,190)
Capital outlay	887,123	455,879	431,244
Debt service	326,939	22,466	304,473
<b>Total expenditures</b>	<b>18,140,811</b>	<b>21,203,483</b>	<b>(3,062,672)</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,267,689)</u>	<u>(868,667)</u>	<u>399,022</u>
<b>Other financing sources (uses):</b>			
Proceeds from general obligation notes	-	932,000	932,000
Proceeds from installment notes payable	-	150,000	150,000
Transfers in	-	439,255	439,255
Transfers (out)	(379,200)	(891,315)	(512,115)
<b>Total other financing sources (uses)</b>	<b>(379,200)</b>	<b>629,940</b>	<b>1,009,140</b>
<b>Change in fund balance</b>	<b><u>\$ (1,646,889)</u></b>	<b><u>(238,727)</u></b>	<b><u>\$ 1,408,162</u></b>
<b>Fund balances:</b>			
May 1, 2010		<u>2,933,944</u>	
April 30, 2011		<u>\$ 2,695,217</u>	



Village of Lansing, Illinois

**Schedule of Revenues - Budget and Actual  
General Fund  
Year Ended April 30, 2011**

	Budget	Actual
Licenses and permits:		
Business licenses	\$ 168,000	\$ 116,080
Vehicle licenses	500,800	482,313
Other licenses	15,350	15,433
Building permits	150,000	111,796
Electrical permits	18,250	10,235
Heating, air conditioning, and other permits	11,250	9,432
<b>Total licenses and permits</b>	<b>863,650</b>	<b>745,289</b>
Intergovernmental:		
State income	2,963,652	2,422,956
Replacement tax	160,000	208,191
Grants	399,550	178,192
<b>Total intergovernmental</b>	<b>3,523,202</b>	<b>2,809,339</b>
Fines and fees:		
Court fines	55,000	29,464
MSCI tickets	60,200	37,512
Other fines	176,400	191,328
Building/elevator inspection fees	169,000	205,035
Planning/zoning fees	4,750	4,829
Paramedic donations	7,020	18,694
Other fees	169,500	167,071
<b>Total fines and fees</b>	<b>641,870</b>	<b>653,933</b>
Property taxes:		
General	1,005,000	5,190,003
<b>Total property taxes</b>	<b>1,005,000</b>	<b>5,190,003</b>
Other taxes:		
Sales tax	5,931,100	5,726,422
Utility tax	1,580,000	1,619,697
Cable TV franchise fee	300,000	382,401
Phone franchise fee	1,160,000	1,085,620
Motel tax	277,000	315,785
<b>Total other taxes</b>	<b>9,248,100</b>	<b>9,129,925</b>
Interest	-	4,844
Miscellaneous:		
Medical plan	715,000	765,940
Miscellaneous other revenue	354,500	426,565
Rental income	95,250	94,480
Builders club	19,050	6,537
Subrogation - paramedic	405,000	480,525
Subrogation - other	2,500	27,436
<b>Total miscellaneous</b>	<b>1,591,300</b>	<b>1,801,483</b>
<b>Total revenues</b>	<b>\$ 16,873,122</b>	<b>\$ 20,334,816</b>

Village of Lansing, Illinois

**Schedule of Expenditures - Budget and Actual  
General Fund  
Year Ended April 30, 2011**

	Budget	Actual
General government:		
General administrative and support:		
Administration	\$ 4,723,863	\$ 5,065,807
Finance	217,500	191,215
Village clerk	459,647	388,411
Human resources	67,004	59,755
Information technology	146,250	93,178
<b>Total general and administrative support</b>	<b>5,614,264</b>	<b>5,798,366</b>
Community development:		
Boards and commissions	51,800	10,522
Building	335,765	307,372
Builders club	13,600	4,534
Planning and development	78,781	90,115
Channel 10 LNN	95,200	94,163
Youth center	93,825	94,362
<b>Total community development</b>	<b>668,971</b>	<b>601,068</b>
<b>Total general government</b>	<b>6,283,235</b>	<b>6,399,434</b>
Public safety:		
Police	6,240,244	8,900,314
Fire	2,802,420	3,637,248
Street	1,251,450	1,403,220
Electrical	349,400	384,922
<b>Total public safety</b>	<b>10,643,514</b>	<b>14,325,704</b>
Capital outlay	887,123	455,879
Debt service:		
Principal	22,500	19,398
Interest and fees	304,439	3,068
<b>Total debt service</b>	<b>326,939</b>	<b>22,466</b>
<b>Total expenditures</b>	<b>\$ 18,140,811</b>	<b>\$ 21,203,483</b>

## Village of Lansing, Illinois

### Note to Required Supplementary Information

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#### Note 1. Budgetary Information

##### Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget was not amended during the current year.

##### Budgetary Process

The Village follows these procedures in establishing the appropriation data reflected in the financial statements:

1. The Village Treasurer submits to the Village Board of Trustees a proposed operating appropriation ordinance (budget) for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Village to obtain taxpayer comments.
3. Subsequently, the appropriation ordinance is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the general, special revenue and capital project funds. Formal budgetary integration is not employed for the debt service fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. Appropriations for the general, special revenue and capital project funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgetary authority lapses at the year-end.
7. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
8. Final appropriated amounts are as originally adopted.

##### Excess of Expenditures Over Budget

The General Fund and Refuse Fund overexpended their budget by \$3,062,672 and \$37,369, respectively, for the year ended April 30, 2011.

## **Supplementary Information**

Village of Lansing, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
General Fund, by Accounts  
Year Ended April 30, 2011**

	General Operating Account	General Capital Improvements Account	Total
<b>Revenues:</b>			
Program:			
Licenses and permits	\$ 745,289	\$ -	\$ 745,289
Intergovernmental	2,809,339	-	2,809,339
Fines and forfeitures	653,933	-	653,933
General:			
Property taxes	5,190,003	-	5,190,003
Other taxes	9,129,925	-	9,129,925
Interest	-	4,844	4,844
Miscellaneous	1,801,483	-	1,801,483
<b>Total revenues</b>	<b>20,329,972</b>	<b>4,844</b>	<b>20,334,816</b>
<b>Expenditures:</b>			
Current:			
General government	6,399,434	-	6,399,434
Public safety	14,325,704	-	14,325,704
Capital outlay	241,556	214,323	455,879
Debt service:			
Principal	8,398	11,000	19,398
Interest and fees	3,068	-	3,068
<b>Total expenditures</b>	<b>20,978,160</b>	<b>225,323</b>	<b>21,203,483</b>
Excess (deficiency) of revenues over (under) expenditures	(648,188)	(220,479)	(868,667)
<b>Other financing sources (uses):</b>			
Proceeds from general obligation notes	932,000	-	932,000
Proceeds from installment notes payable	150,000	-	150,000
Transfers in	439,255	-	439,255
Transfers (out)	(891,315)	-	(891,315)
<b>Total other financing sources (uses)</b>	<b>629,940</b>	<b>-</b>	<b>629,940</b>
<b>Change in fund balances</b>	<b>(18,248)</b>	<b>(220,479)</b>	<b>(238,727)</b>
<b>Fund balances:</b>			
May 1, 2010	500,398	2,433,546	2,933,944
April 30, 2011	\$ 482,150	\$ 2,213,067	\$ 2,695,217

Village of Lansing, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,206,719	\$ 1,926,746	\$ 1,971,531	\$ 7,104,996
Investments	206,578	-	-	206,578
Receivables:				
Property taxes	471,843	202,749	-	674,592
Intergovernmental	58,475	-	-	58,475
Other assets	6,933	-	-	6,933
Due from other funds	140,512	1,261,616	1,416,569	2,818,697
<b>Total assets</b>	<b>\$ 4,091,060</b>	<b>\$ 3,391,111</b>	<b>\$ 3,388,100</b>	<b>\$ 10,870,271</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 211,275	\$ -	\$ -	\$ 211,275
Deferred revenue	471,843	202,749	-	674,592
Due to other funds	437,570	-	3,750	441,320
<b>Total liabilities</b>	<b>1,120,688</b>	<b>202,749</b>	<b>3,750</b>	<b>1,327,187</b>
Fund Balances				
Reserved for debt service	-	3,188,362	-	3,188,362
Unreserved	2,970,372	-	3,384,350	6,354,722
<b>Total fund balances</b>	<b>2,970,372</b>	<b>3,188,362</b>	<b>3,384,350</b>	<b>9,543,084</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,091,060</b>	<b>\$ 3,391,111</b>	<b>\$ 3,388,100</b>	<b>\$ 10,870,271</b>

Village of Lansing, Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended April 30, 2011**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Program:				
Charges for services	\$ 1,698,451	\$ -	\$ -	\$ 1,698,451
Intergovernmental	1,068,501	-	38,679	1,107,180
Fines and forfeitures	272,321	-	-	272,321
General:				
Property taxes	988,799	701,265	1,527,785	3,217,849
Sales tax	-	-	-	-
Interest	18,872	3,526	907	23,305
<b>Total revenues</b>	<b>4,046,944</b>	<b>704,791</b>	<b>1,567,371</b>	<b>6,319,106</b>
<b>Expenditures:</b>				
Current:				
General government	2,986,805	-	309,423	3,296,228
Capital outlay	324,872	-	200,700	525,572
Debt service:				
Principal	-	548,000	-	548,000
Interest and fees	-	864,167	-	864,167
<b>Total expenditures</b>	<b>3,311,677</b>	<b>1,412,167</b>	<b>510,123</b>	<b>5,233,967</b>
Excess (deficiency) of revenues over (under) expenditures	735,267	(707,376)	1,057,248	1,085,139
Other financing sources (uses):				
Transfers in	170,831	1,170,484	-	1,341,315
Transfers (out)	(783,314)	(153,152)	(28,683)	(965,149)
<b>Total other financing sources (uses)</b>	<b>(612,483)</b>	<b>1,017,332</b>	<b>(28,683)</b>	<b>376,166</b>
<b>Change in fund balances</b>	<b>122,784</b>	<b>309,956</b>	<b>1,028,565</b>	<b>1,461,305</b>
Fund balances:				
May 1, 2010	2,847,588	2,878,406	2,355,785	8,081,779
April 30, 2011	\$ 2,970,372	\$ 3,188,362	\$ 3,384,350	\$ 9,543,084

Village of Lansing, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 April 30, 2011

	IMRF / FICA	Motor Fuel Tax	Police Department Forfeiture	Police Department Forfeiture Justice	911	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 562,933	\$ 999,969	\$ 270,425	\$ 922,344	\$ 451,048	\$ 3,206,719
Investments	-	-	206,578	-	-	206,578
Receivables:						
Property taxes	471,843	-	-	-	-	471,843
Intergovernmental	-	58,475	-	-	-	58,475
Other assets	-	-	873	-	6,060	6,933
Due from other funds	-	123,037	17,475	-	-	140,512
<b>Total assets</b>	<b>\$ 1,034,776</b>	<b>\$ 1,181,481</b>	<b>\$ 495,351</b>	<b>\$ 922,344</b>	<b>\$ 457,108</b>	<b>\$ 4,091,060</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ 122,852	\$ 10,191	\$ 4,525	\$ 63,679	\$ 10,028	\$ 211,275
Deferred revenue	471,843	-	-	-	-	471,843
Due to other funds	218,608	218,962	-	-	-	437,570
Total liabilities	813,303	229,153	4,525	63,679	10,028	1,120,688
Fund Balances, unreserved	221,473	952,328	490,826	858,665	447,080	2,970,372
<b>Total liabilities and fund balances</b>	<b>\$ 1,034,776</b>	<b>\$ 1,181,481</b>	<b>\$ 495,351</b>	<b>\$ 922,344</b>	<b>\$ 457,108</b>	<b>\$ 4,091,060</b>



Village of Lansing, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2011

	Refuse Disposal		IMRF / FICA		Motor Fuel Tax		Police Department Forfeiture	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Taxes:								
Property	\$ 300,000	\$ 161,599	\$ 828,000	\$ 827,200	\$ -	\$ -	\$ -	\$ -
Intergovernmental:								
Allotments	-	-	-	-	725,300	839,786	-	-
Grants	-	-	-	-	-	-	-	-
911 surcharge	-	-	-	-	-	-	-	-
Fees and services:								
Refuse and recycling collections	1,638,800	1,698,451	-	-	-	-	-	-
Police Department seizures	-	-	-	-	-	-	25,000	21,881
Interest	-	-	1,000	385	400	744	26,000	14,393
<b>Total revenues</b>	<b>1,938,800</b>	<b>1,860,050</b>	<b>829,000</b>	<b>827,585</b>	<b>725,700</b>	<b>840,530</b>	<b>51,000</b>	<b>36,274</b>
Expenditures:								
Current:								
Police	-	-	-	-	-	-	125,000	100,233
Pension contributions	-	-	832,900	734,930	-	-	-	-
Refuse disposal	1,827,635	1,865,004	-	-	-	-	-	-
Capital outlay	-	-	-	-	711,000	249,651	21,000	20,044
<b>Total expenditures</b>	<b>1,827,635</b>	<b>1,865,004</b>	<b>832,900</b>	<b>734,930</b>	<b>711,000</b>	<b>249,651</b>	<b>146,000</b>	<b>120,277</b>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 111,165</u>	<u>(4,954)</u>	<u>\$ (3,900)</u>	<u>92,655</u>	<u>\$ 14,700</u>	<u>590,879</u>	<u>\$ (95,000)</u>	<u>(84,003)</u>
Other financing sources (uses):								
Transfers in		-		-		170,831		-
Transfers (out)		<u>(296,915)</u>		<u>-</u>		<u>(450,000)</u>		<u>(36,399)</u>
<b>Change in fund balances</b>		<b>(301,869)</b>		<b>92,655</b>		<b>311,710</b>		<b>(120,402)</b>
Fund balances:								
May 1, 2010		<u>301,869</u>		<u>128,818</u>		<u>640,618</u>		<u>611,228</u>
April 30, 2011		<u>\$ -</u>		<u>\$ 221,473</u>		<u>\$ 952,328</u>		<u>\$ 490,826</u>

Village of Lansing, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2011

	Police Department Forfeiture Justice		911		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ 1,128,000	\$ 988,799
Intergovernmental:						
Allotments	-	-	-	-	725,300	839,786
Grants	-	1,763	-	-	-	1,763
911 surcharge	-	-	233,000	226,952	233,000	226,952
Fees and services:						
Refuse and recycling collections	-	-	-	-	1,638,800	1,698,451
Police Department seizures	300,000	250,440	-	-	325,000	272,321
Interest	3,000	3,040	1,000	310	31,400	18,872
<b>Total revenues</b>	<b>303,000</b>	<b>255,243</b>	<b>234,000</b>	<b>227,262</b>	<b>4,081,500</b>	<b>4,046,944</b>
Expenditures:						
Current:						
Police	314,100	215,942	77,886	70,696	516,986	386,871
Pension contributions	-	-	-	-	832,900	734,930
Refuse disposal	-	-	-	-	1,827,635	1,865,004
Capital outlay	-	-	154,100	55,177	886,100	324,872
<b>Total expenditures</b>	<b>314,100</b>	<b>215,942</b>	<b>231,986</b>	<b>125,873</b>	<b>4,063,621</b>	<b>3,311,677</b>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (11,100)</u>	39,301	<u>\$ 2,014</u>	101,389	<u>\$ 17,879</u>	735,267
Other financing (uses):						
Transfers in		-		-		170,831
Transfers (out)		-		-		(783,314)
<b>Change in fund balances</b>		39,301		101,389		122,784
Fund balances:						
May 1, 2010		<u>819,364</u>		<u>345,691</u>		<u>2,847,588</u>
April 30, 2011		<u>\$ 858,665</u>		<u>\$ 447,080</u>		<u>\$ 2,970,372</u>

Village of Lansing, Illinois

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
April 30, 2011

	Tax Incremental Financing West Lansing	Bernice Road TIF	Community Development Block Grant	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 1,529,063	\$ 419,360	\$ 23,108	\$ 1,971,531
Due from other funds	1,416,569	-	-	1,416,569
<b>Total assets</b>	<b>\$ 2,945,632</b>	<b>\$ 419,360</b>	<b>\$ 23,108</b>	<b>\$ 3,388,100</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Due to other funds	\$ -	\$ -	\$ 3,750	\$ 3,750
Fund Balances				
Unreserved	2,945,632	419,360	19,358	3,384,350
<b>Total liabilities and fund balances</b>	<b>\$ 2,945,632</b>	<b>\$ 419,360</b>	<b>\$ 23,108</b>	<b>\$ 3,388,100</b>

Village of Lansing, Illinois

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 Year Ended April 30, 2011

	Tax Incremental Financing West Lansing	Bernice Road TIF	Community Development Block Grant	Total
Revenues:				
Taxes:				
Property	\$ 1,108,425	\$ 419,360	\$ -	\$ 1,527,785
Sales	-	-	-	-
Intergovernmental, grants	-	-	38,679	38,679
Interest	855	-	52	907
<b>Total revenues</b>	<b>1,109,280</b>	<b>419,360</b>	<b>38,731</b>	<b>1,567,371</b>
Expenditures:				
General government, rebates	309,423	-	-	309,423
Capital outlay, project costs	108,727	-	91,973	200,700
<b>Total expenditures</b>	<b>418,150</b>	<b>-</b>	<b>91,973</b>	<b>510,123</b>
Excess (deficiency) of revenues over (under) expenditures	691,130	419,360	(53,242)	1,057,248
Other financing (uses):				
Transfers (out)	(28,683)	-	-	(28,683)
<b>Change in fund balances</b>	<b>662,447</b>	<b>419,360</b>	<b>(53,242)</b>	<b>1,028,565</b>
Fund balances:				
May 1, 2010	2,283,185	-	72,600	2,355,785
April 30, 2011	\$ 2,945,632	\$ 419,360	\$ 19,358	\$ 3,384,350

Village of Lansing, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Capital Projects Funds  
 Year Ended April 30, 2011

	Tax Incremental Financing West Lansing		Bernice Road TIF		Community Development Block Grant		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Taxes:								
Property	\$ 1,700,000	\$ 1,108,425	\$ -	\$ 419,360	\$ -	\$ -	\$ 1,700,000	\$ 1,527,785
Sales	100,000	-	-	-	-	-	100,000	-
Intergovernmental, grants	-	-	-	-	255,000	38,679	255,000	38,679
Interest	2,500	855	-	-	100	52	2,600	907
<b>Total revenues</b>	<b>1,802,500</b>	<b>1,109,280</b>	<b>-</b>	<b>419,360</b>	<b>255,100</b>	<b>38,731</b>	<b>2,057,600</b>	<b>1,567,371</b>
Expenditures:								
General government, rebates	1,252,000	309,423	-	-	-	-	1,252,000	309,423
Capital outlay, project costs	166,500	108,727	10,000	-	255,000	91,973	431,500	200,700
<b>Total expenditures</b>	<b>1,418,500</b>	<b>418,150</b>	<b>10,000</b>	<b>-</b>	<b>255,000</b>	<b>91,973</b>	<b>1,683,500</b>	<b>510,123</b>
Excess (deficiency) of revenues over (under) expenditures	384,000	691,130	(10,000)	419,360	100	(53,242)	374,100	1,057,248
Other financing (uses):								
Transfers (out)	(50,000)	(28,683)	-	-	-	-	(50,000)	(28,683)
<b>Change in fund balances</b>	<b>\$ 334,000</b>	<b>662,447</b>	<b>\$ (10,000)</b>	<b>419,360</b>	<b>\$ 100</b>	<b>(53,242)</b>	<b>\$ 324,100</b>	<b>1,028,565</b>
Fund balances:								
May 1, 2010		<u>2,283,185</u>		<u>-</u>		<u>72,600</u>		<u>2,355,785</u>
April 30, 2011		<u>\$ 2,945,632</u>		<u>\$ 419,360</u>		<u>\$ 19,358</u>		<u>\$ 3,384,350</u>

Village of Lansing, Illinois

Combining Statement of Net Assets  
 Agency Funds  
 April 30, 2011

	Agency		Total
	Special Service Area	Special Assessment	
<b>Assets</b>			
Cash and cash equivalents	\$ 2,121	\$ 79,852	\$ 81,973
Other receivables	19,520	-	19,520
Due from other funds	-	142,819	142,819
<b>Total assets</b>	<b>21,641</b>	<b>222,671</b>	<b>244,312</b>
<b>Liabilities</b>			
Accounts payable	-	222,671	222,671
Due to other funds	21,641	-	21,641
<b>Total liabilities</b>	<b>21,641</b>	<b>222,671</b>	<b>244,312</b>
<b>Net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Village of Lansing, Illinois

Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended April 30, 2011

	Balances May 1, 2010	Additions	Deletions	Balances April 30, 2011
<b>SPECIAL SERVICE AREA</b>				
Assets:				
Cash and cash equivalents	\$ 13,995	\$ -	\$ 11,874	\$ 2,121
Other receivables	7,646	11,874	-	19,520
<b>Total assets</b>	<b>\$ 21,641</b>	<b>\$ 11,874</b>	<b>\$ 11,874</b>	<b>\$ 21,641</b>
Liabilities:				
Due to other funds	\$ 21,641	\$ -	\$ -	\$ 21,641
<b>SPECIAL ASSESSMENT</b>				
Assets:				
Cash and cash equivalents	\$ 79,693	\$ 159	\$ -	\$ 79,852
Due from other funds	142,819	-	-	142,819
<b>Total assets</b>	<b>\$ 222,512</b>	<b>\$ 159</b>	<b>\$ -</b>	<b>\$ 222,671</b>
Liabilities:				
Accounts payable	\$ 222,512	\$ 159	\$ -	\$ 222,671
<b>TOTAL</b>				
Assets:				
Cash and cash equivalents	\$ 93,688	\$ 159	\$ 11,874	\$ 81,973
Other receivables	7,646	11,874	-	19,520
Due from other funds	142,819	-	-	142,819
<b>Total assets</b>	<b>\$ 244,153</b>	<b>\$ 12,033</b>	<b>\$ 11,874</b>	<b>\$ 244,312</b>
Liabilities:				
Accounts payable	\$ 222,512	\$ 159	\$ -	\$ 222,671
Due to other funds	21,641	-	-	21,641
<b>Total liabilities</b>	<b>\$ 244,153</b>	<b>\$ 159</b>	<b>\$ -</b>	<b>\$ 244,312</b>

## **Other Schedules**



Village of Lansing, Illinois

Schedule of Assessed Valuations, Tax Rates,  
Tax Extensions and Tax Collections

	Tax Year				
	2010*	2009	2008	2007	2006
Assessed valuations	\$ 567,377,253	\$ 567,377,253	\$ 520,693,211	\$ 472,231,319	\$ 450,595,399
Tax rates:					
Primary government, by fund:					
General	0.3894	0.1824	0.1919	0.2116	0.6399
Refuse Disposal	-	0.0545	0.0593	0.0654	0.0686
Police Pension	0.4222	0.4026	0.3095	0.3289	-
Fire Pension	0.1562	0.1587	0.1205	0.1164	-
Road and Bridge	-	-	0.0069	0.0076	0.0080
Illinois Municipal Retirement and Social Security	0.1512	0.1503	0.1244	0.1123	0.1257
Bond and Interest	0.0650	0.1746	0.1589	0.1807	0.2164
<b>Total primary government</b>	<b>1.1840</b>	<b>1.1231</b>	<b>0.9714</b>	<b>1.0229</b>	<b>1.0586</b>
Lansing Public Library	0.3618	0.3449	0.3345	0.3530	0.3540
<b>Total</b>	<b>1.5458</b>	<b>1.4680</b>	<b>1.3059</b>	<b>1.3759</b>	<b>1.4126</b>
Tax extensions:					
Primary government, by fund					
General	\$ 2,209,350	\$ 1,035,150	\$ 999,100	\$ 999,100	\$ 2,883,506
Refuse Disposal	-	309,000	309,000	309,000	309,000
Police Pension	2,395,258	2,284,278	1,611,389	1,553,309	-
Fire Pension	886,221	900,369	627,278	549,662	-
Road and Bridge	-	-	36,050	36,050	36,050
Illinois Municipal Retirement and Social Security	857,887	852,840	647,904	530,450	566,500
Bond and Interest	368,631	990,369	827,382	853,145	974,954
<b>Total primary government</b>	<b>6,717,347</b>	<b>6,372,006</b>	<b>5,058,103</b>	<b>4,830,716</b>	<b>4,770,010</b>
Lansing Public Library	2,052,893	1,957,000	1,741,944	1,666,932	1,595,151
<b>Totals</b>	<b>\$ 8,770,240</b>	<b>\$ 8,329,006</b>	<b>\$ 6,800,047</b>	<b>\$ 6,497,648</b>	<b>\$ 6,365,161</b>
<b>Collections</b>	<b>\$ 4,045,876</b>	<b>\$ 7,814,315</b>	<b>\$ 6,633,185</b>	<b>\$ 6,292,593</b>	<b>\$ 6,022,860</b>
<b>Percent collections</b>	<b>46.13%</b>	<b>93.82%</b>	<b>97.55%</b>	<b>96.84%</b>	<b>94.62%</b>

\* estimated

**Village of Lansing, Illinois**

**Schedule of Debt Service Requirements  
April 30, 2011**

	Year Ending April 30	Interest rate	Principal	Interest	Total
General Obligation Serial Bonds:					
2002B General Obligation Issue	2012	4.150%	\$ 55,000	\$ 5,031	\$ 60,031
Dated September 1, 2002	2013	4.375%	60,000	2,625	62,625
Interest payable June 1 and December 1 of each year at rates of 4.050% to 4.375%			<u>\$ 115,000</u>	<u>\$ 7,656</u>	<u>\$ 122,656</u>
The Library Fund is responsible for the required payments on these bonds.					
General Obligation Serial Bonds					
2003 General Obligation Issue	2012	5.500%	\$ 115,000	\$ 58,575	\$ 173,575
Dated August 28, 2003	2013	5.500%	120,000	52,250	172,250
Interest payable June 1 and	2014	5.500%	125,000	45,650	170,650
December 1 of each year	2015	5.500%	130,000	38,775	168,775
at rates of 5.50%	2016	5.500%	135,000	31,625	166,625
The Airport Fund is responsible for the	2017	5.500%	140,000	24,200	164,200
required payments on these bonds.	2018	5.500%	145,000	16,500	161,500
	2019	5.500%	155,000	8,525	163,525
			<u>\$ 1,065,000</u>	<u>\$ 276,100</u>	<u>\$ 1,341,100</u>

(continued)

Village of Lansing, Illinois

Schedule of Debt Service Requirements (continued)  
April 30, 2011

	Year Ending April 30	Interest rate	Principal	Interest	Total
General Obligation Serial Bonds					
2008A General Obligation Issue	2012	5.000%	\$ -	\$ 482,410	\$ 482,410
Dated November 13, 2008	2013	5.000%	-	482,410	482,410
Interest payable March 1 and	2014	5.000%	820,000	482,410	1,302,410
September 1 of each year at	2015	5.000%	850,000	441,410	1,291,410
rates ranging from 4.250% - 5.000%	2016	4.250%	885,000	398,910	1,283,910
The General Obligation Bond Fund is	2017	4.450%	925,000	361,298	1,286,298
responsible for the required	2018	4.700%	965,000	320,135	1,285,135
payments on these bonds.	2019	4.750%	1,010,000	274,780	1,284,780
	2020	4.900%	1,055,000	226,805	1,281,805
	2021	5.000%	1,110,000	175,110	1,285,110
	2022	5.000%	1,160,000	119,610	1,279,610
	2023	5.000%	1,220,000	61,610	1,281,610
			<u>\$ 10,000,000</u>	<u>\$ 3,826,898</u>	<u>\$ 13,826,898</u>

General Obligation Serial Bonds					
2009A General Obligation Issue	2012	4.200%	\$ -	\$ 180,665	\$ 180,665
Dated April 30, 2009	2013	4.200%	-	180,665	180,665
Interest payable March 1 and	2014	4.200%	-	180,665	180,665
September 1 of each year at	2015	4.200%	-	180,665	180,665
rates ranging from 4.200% - 4.650%	2016	4.200%	-	180,665	180,665
The General Obligation Bond Fund and	2017	4.200%	-	180,665	180,665
the Waterworks and Sewerage Fund	2018	4.200%	-	180,665	180,665
are responsible for 88.89% and	2019	4.200%	-	180,665	180,665
11.11%, respectively, of the required	2020	4.200%	-	180,665	180,665
payments on these bonds.	2021	4.200%	-	180,665	180,665
	2022	4.200%	-	180,665	180,665
	2023	4.200%	250,000	180,665	430,665
	2024	4.300%	1,000,000	170,165	1,170,165
	2025	4.400%	1,000,000	127,165	1,127,165
	2026	4.550%	1,000,000	83,165	1,083,165
	2027	4.650%	810,000	37,665	847,665
			<u>\$ 4,060,000</u>	<u>\$ 2,586,140</u>	<u>\$ 6,646,140</u>

(continued)

Village of Lansing, Illinois

Schedule of Debt Service Requirements (continued)  
April 30, 2011

	Year Ending April 30		Principal	Interest	Total
<b>General Obligation Serial Bonds</b>					
2009B General Obligation Issue	2012	4.850%	\$ -	\$ 144,713	\$ 144,713
Dated June 1, 2009	2013	4.850%	-	144,713	144,713
Interest payable March 1 and	2014	4.850%	-	144,713	144,713
September 1 of each year at	2015	4.850%	-	144,713	144,713
rates ranging from 4.850% - 5.350%	2016	4.850%	-	144,713	144,713
The General Obligation Bond Fund is	2017	4.850%	-	144,713	144,713
responsible for the required	2018	4.850%	-	144,713	144,713
payments on these bonds.	2019	4.850%	-	144,713	144,713
	2020	4.850%	-	144,713	144,713
	2021	4.850%	-	144,713	144,713
	2022	4.850%	450,000	144,713	594,713
	2023	4.850%	300,000	122,888	422,888
	2024	5.350%	-	108,338	108,338
	2025	5.350%	-	108,338	108,338
	2026	5.350%	-	108,338	108,338
	2027	5.350%	-	108,338	108,338
	2028	5.350%	1,000,000	108,338	1,108,338
	2029	5.350%	1,025,000	54,829	1,079,829
			<u>\$ 2,775,000</u>	<u>\$ 2,311,250</u>	<u>\$ 5,086,250</u>
<b>General Obligation (Limited Tax)</b>					
Notes, Series 2009C	2012	5.800%	\$ 496,000	\$ 35,960	\$ 531,960
Dated November 13, 2009	2013	5.800%	248,000	7,192	255,192
Interest payable May 13 and			<u>\$ 744,000</u>	<u>\$ 43,152</u>	<u>\$ 787,152</u>
November 13 of each year					
at rates of 5.8%					
The General Obligation Bond Fund is					
responsible for the required					
payments on these bonds.					
<b>General Obligation (Limited Tax)</b>					
Notes, Series 2010	2012	5.800%	\$ 504,000	\$ 40,905	\$ 544,905
Dated December 15, 2010	2013	5.800%	378,000	11,185	389,185
Interest payable quarterly beginning			<u>\$ 882,000</u>	<u>\$ 52,090</u>	<u>\$ 934,090</u>
March 15 of each year					
at rates of 5.8%					
The General Obligation Bond Fund is					
responsible for the required					
payments on these bonds.					

(continued)

Village of Lansing, Illinois

Schedule of Debt Service Requirements (continued)  
April 30, 2011

	Year Ending April 30		Principal	Interest	Total
Note Payable:					
Building					
Dated May 4, 2000	2012	6.750%	\$ 8,983	\$ 2,484	\$ 11,467
Principal and interest payable	2013	6.750%	9,608	1,858	11,466
monthly at a rate of 6.75%	2014	6.750%	10,277	1,189	11,466
The General Fund is responsible for	2015	6.750%	10,993	474	11,467
making the required payments on	2016	6.750%	1,003	-	1,003
this note.					
			<u>\$ 40,864</u>	<u>\$ 6,005</u>	<u>\$ 46,869</u>
Note Payable:					
Fire Truck	2012		\$ 11,000	\$ -	\$ 11,000
Dated December 8, 2004	2013		11,000	-	11,000
Principal payable yearly	2014		11,000	-	11,000
The General Fund is responsible for	2015		11,000	-	11,000
making the required payments on	2016		11,000	-	11,000
this note.	2017		11,000	-	11,000
	2018		11,000	-	11,000
	2019		11,000	-	11,000
	2020		11,000	-	11,000
	2021		11,000	-	11,000
	2022		11,000	-	11,000
	2023		11,000	-	11,000
	2024		11,000	-	11,000
	2025		11,000	-	11,000
			<u>\$ 154,000</u>	<u>\$ -</u>	<u>\$ 154,000</u>
Note Payable:					
Financial Institution	2012		\$ 53,359	\$ 14,250	\$ 67,609
Dated July 18, 2006	2013		56,089	11,520	67,609
Principal and interest payable	2014		58,958	8,651	67,609
monthly at a rate of 5.00%	2015		61,975	5,634	67,609
The Airport Fund is responsible for	2016		65,145	2,464	67,609
making the required payments on	2017		14,552	2,357	16,909
this note.					
			<u>\$ 310,078</u>	<u>\$ 44,876</u>	<u>\$ 354,954</u>
Note Payable:					
Financial Institution	2012		\$ 73,062	\$ 6,637	\$ 79,699
Dated March 13, 2011	2013		76,938	2,611	79,549
Principal and interest payable					
monthly at a rate of 5.40%					
The General Fund is responsible for					
making the required payments on					
this note.					
			<u>\$ 150,000</u>	<u>\$ 9,248</u>	<u>\$ 159,248</u>

Village of Lansing, Illinois

Balance Sheet - Component Unit - Public Library  
April 30, 2011

	Public Library
<b>Assets</b>	
Cash and cash equivalents	\$ 1,800,620
Receivables	
Property taxes	1,089,453
Accrued interest	230
Prepaid items	<u>17,687</u>
<b>Total assets</b>	<b><u><u>\$ 2,907,990</u></u></b>
<b>Liabilities</b>	
Accounts payable	\$ 57,251
Accrued payroll	43,971
Accrued interest	2,073
Deferred revenue	<u>1,089,453</u>
Total liabilities	<u>1,192,748</u>
<b>Fund Balances</b>	
Unreserved	<u>1,715,242</u>
<b>Total liabilities and fund balance</b>	<b><u><u>\$ 2,907,990</u></u></b>

**Village of Lansing, Illinois**

**Reconciliation of the Balance Sheet - Component Unit - Public Library  
to the Statement of Net Assets  
April 30, 2011**

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Total fund balance - component unit - public library	\$ 1,715,242
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	553,639
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
General obligation bonds	(115,000)
Compensated absences	<u>(57,797)</u>
Net assets of component unit - public library	<u><u>\$ 2,096,084</u></u>

Village of Lansing, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balance –  
 Budget and Actual - Component Unit - Public Library  
 Year Ended April 30, 2011

	Public Library	
	Budget	Actual
Revenues:		
General:		
Property taxes	\$ 1,900,000	\$ 1,979,832
Fines	20,000	20,202
Library cards	1,500	1,821
Donations	300	1,774
Audio visual	7,000	8,317
Printing / vending	6,000	7,570
Lost materials	500	1,246
State grant	28,930	28,930
Book fees	50	35
Interest	1,000	901
Miscellaneous	1,000	15,394
Total revenues	<u>1,966,280</u>	<u>2,066,022</u>
Expenditures:		
Current:		
General government	1,966,280	1,752,198
Interest and fees	-	6,198
Total expenditures	<u>1,966,280</u>	<u>1,758,396</u>
Net change in fund balance	<u>\$ -</u>	307,626
Fund balance, May 1, 2010		<u>1,407,616</u>
Fund balance, April 30, 2011		<u>\$ 1,715,242</u>



**Village of Lansing, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance - Component Unit - Public Library to the Statement of Activities  
Year Ended April 30, 2011**

---

Net change in fund balance - component unit - public library	\$ 307,626
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlays in the current period.	
Depreciation	(41,941)
The following are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
General obligation bonds	55,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
(Decrease) in compensated absences	<u>7,011</u>
Change in net assets of component unit - public library	<u><u>\$ 327,696</u></u>